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NEWSPAPER

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Marketing to Hispanics
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Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Nielsen strikes back

By VERNE GAY

A.C. Nielsen Co. will announce shortly it is putting a massive consumer and television research project back on the front burner following the collapse of plans to buy Information Resources Inc.

The unnamed project, formerly called the SCANTRACK Household Panel, is huge even by Nielsen standards, with $70 million earmarked for it. By contrast, Nielsen's recent conversion to people meters—another high priority project—has cost an estimated $50 million.

Nielsen had announced formation of the project back in July, when it paid $20 million for a stake in Port Washington, N.Y.-based NPD, the 10th-largest marketing research company in the U.S. (AA, June 15).

IRI alternative

Now, the concept is turning into Nielsen's reaction to parent Dun & Bradstreet's withdrawal of its attempted purchase of IRI for $572 million. D&B had planned to merge Chicago-based IRI with its Nielsen Marketing Research unit.

The offer to buy IRI was withdrawn when the Federal Trade Commission decided to seek a court order restraining the deal (AA, Nov. 23).

IRI's program would have formed the basis for Nielsen's foray into single-source consumer research, expected to be the wave of the future in the research business.

In single-source research, advertisers measure TV viewership and product purchase simultaneously and—theoretically—derive an accurate estimate of how much advertising weight stimulates buying habits. Ideally, advertisers then would buy TV time not based solely on a program's ratings, but also on its ability to sell products.

The Nielsen project calls for the placement of audience meters in 15,000 TV households by the end of 1988 along with hand-held computer wand-like scanning devices to record household purchases via Universal Product Code graphics. These households would scan grocery, hardware and other purchases with the wand.

Sources said the new single-source Nielsen project ultimately could outweigh the importance of people meter-TV

(Continued on Page 90)

McDonald's tests in-store kid video

By SCOTT HUME

McDonald's Corp. is testing a new concept called "Video Theater"—a videocassette recorder and TV set that entertains youngsters with animated short features in its restaurants.

The idea, which would give adults the "break" McDonald's advertising once said they deserved, is being tested in a small number of restaurants. If successful, the video-age addition could advance the chain's already dominant position with children in the $60 billion fast-food market.

During initial testing, no commercial messages for McDonald's have been included in the viewing package.

The test comes as McDonald's and other advertisers are battling the TV networks over A.C. Nielsen Co.'s people-meter measurements of Saturday morning audiences, which are as much as 30% below previous set-meter measurements (AA, Nov. 23).

McDonald's spends an estimated $40 million, or 20% of its $200 million annual network TV budget, on children's programming. It remains the only fast-food advertiser during Saturday morning children's network shows.

Leo Burnett USA, Chicago, is McDonald's national agency.

"McDonald's got to be No. 1 by building brand loyalty among children and then keeping them as customers," said a competitor. "I doubt [it] will let that market slip away."

Children 12 or younger accounted for 13.6% of quick-service restaurant sales dollars in 1986, compared to 12.5% in 1982, according to the National Restaurant Association.

"McDonald's knows children love cartoons. What they want to know is whether running cartoons in-store slows table turns. You don't want kids there glued to the set all day," a source said. "By repeating the show every 20 minutes, they've found that

(Continued on Page 94)

Raisin cain

"Shorty" the construction worker and the Claymation raisins are back in a new TV commercial airing for the California Raisin Advisory Board, Fresno, Calif., via Foote, Cone & Belding, San Francisco.

Last Minute News

Godfather's sets D-Day for JWT status

OMAHA, NEB.—Godfather's Pizza will decide the status of its $8 million account now at J. Walter Thompson USA, Chicago, on Dec. 15. The client is weighing JWT's counterproposal on the compensation arrangement that has divided the two. Godfather's VP-Marketing Charles Henderson said the account has been discussed with several other agencies "as a contingency."

Drug Emporium taps merged Atlanta shop

WORTHINGTON, OHIO—Drug Emporium named Cargill, Wilson & Acree/Tracy-Locke, Atlanta, to succeed Don Lea & Associates, Toledo, on its estimated $10 million account.

Kodak unwraps holiday TV commercial

ROCHESTER, N.Y.—Eastman Kodak Co. breaks its annual TV holiday spot today via J. Walter Thompson USA, New York. The 30-second commercial, themed "Coming Home," shows an older man opening a letter that includes a snapshot of his just-born grandson who bears a striking resemblance to him.

Chilko investigation keys on guide

KAMLOOPS, BRITISH COLUMBIA—The inquiry into the Aug. 1 Chilko River rafting accident (AA, Nov. 23) that killed five U.S. advertising

(Continued on Page 8)

Christmas off to strong start

Spend, spend, spend

An Advertising Age roundup

HOLIDAY MARKETING

One tough market, Page 81
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Anxious retailers can start to unwind.

A nationwide spot check by ADVERTISING AGE of retail outlets and buyers during the crucial Nov. 27 shopping day indicates that consumer spending is strong, few shoppers are trading down and the Oct. 19 "Black Monday" stock market plunge is a distant memory.

The day after Thanksgiving is traditionally the biggest spending day of the year for Christmas shoppers and a sign of how strong holiday sales are likely to be.

In New York, the post-Thanksgiving Day crowd at the Brooklyn headquarters store of Abraham & Straus was "the biggest I've ever seen it," said spokeswoman Virginia Sanders. "We are definitely going to make our plan, which is ahead of last year's."

The news was similarly cheering at Bloomingdale's, where Senior VP Julian Taub described activity as "very strong . . . as big or bigger than last year."

Bloomingdale's customers seemed to have shaken off the jolt from Wall Street's dive. In the several days before Thanksgiving, the sales pace had picked up, Mr. Taub said, adding "we're optimistic we're going to have a good Christmas."

There was a barrage of Thanksgiving "sale" advertising to prime the pump, but retailers said the level of "off-price" promotions did not appear out of the ordinary.

"Early bird" specials, designed to spread out the post-holiday crush more evenly throughout the day, seemed to click in some markets.

Houston-based Foley's, a unit of Federated Department Stores, opened at 8 a.m.—an hour early—

(Continued on Page 92)

New Army spots go for heart

By JANET MEYERS

WASHINGTON—In its first campaign since winning the U.S. Army account, Young & Rubicam will try to shift the campaign's focus from high-tech to "human" values.

Y&R became the Army's first new agency in 19 years when it won the $100 million account from N W Ayer in a controversial review process.

The agency's first campaign will break after Christmas during football games, and is a subtle departure from Ayer's approach.

While Ayer's Army commercials also included people, its last ones emphasized high-tech equipment.

In its Army spots, Y&R goes for the heart, with paratroopers bailing out of planes and a young paratrooper writing home to his father. Both are designed to show that the Army experience teaches qualities like maturity and teamwork.

The new campaign uses a technique first previewed in a special July 4 spot, "Sentry," which airs occasionally for holidays. "Sentry" mixes scenes of a soldier stationed in Germany with cuts to a black screen, where the words "Maturity," "Self-Discipline," "Character" and "Freedom" appear.

The spots close with "Be all you can be. Get an edge on life" (AA, July 6).

A second Y&R spot slated to break in spring is called "Homecoming" and shows a young man visiting home from the Army to provide a role model for his younger brother.

The artillery spot that breaks after Christmas replaces Ayer's "9 a.m." spot that was produced under the aegis of then-Ayer Creative Director Lou DiJoseph, now creative director at Y&R.

In the Ayer spot, as paratroopers secure equipment parachuted to the ground, one soldier says, "We get more done before 9 a.m. than most people do all day."

While the new spots show some sophisticated Army equipment, they are less high-tech than "MLRS," Ayer's last spot for the Army. In "MLRS," named for a weapons system, a tank moves across the desert, rockets flash across the night sky and the target explodes.

The new Y&R spots are "evolutionary rather than revolutionary," an Army spokesman said.

Although Ayer lost the Army account in December 1986, the agency continues to fight for its reputation. Last week Ayer amended a pending lawsuit to protest the Justice Department's request for a six-month extension to the agency's year-old suspension from doing government work (AA, Nov. 23).

In its additional court filings, Ayer asks for damages estimated at more than $50 million—the profit Ayer says it would have realized from the five-year, $500 million contract.

Ayer's suspension automatically will expire if the Justice Department fails to bring civil charges by May.

No more criminal charges will be lodged against Ayer, said Army spokesman Maj. Greg Rixon, signaling the end of investigations by both the Department of Defense Criminal Investigation Service and the U.S. Attorney's office in New York.

"What started years ago as an investigation of isolated business practices has become a vendetta for the government and a bone in their teeth which its lawyers won't let go," Ayer said in a statement.

A spokeswoman refused to say why Justice asked for a suspension extension.

Ayer's suit pending in U.S. Claims Court seeks $500,000 for its abortive bid for the Army contract, while the agency's amended complaint asks the court to assess damages to include profits lost from the $500 million contract. While figures are not mentioned in the complaint, $50 million to $70 million "would not be out of line," said Ayer lawyer Stephen Lawrence.#

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Rene Levesque's death this month prompted the ad industry to reflect on the vibrancy he brought to Francophone Canada.

MARKETING TO HISPANICS
Perspectivas

ADVERTISING AGE'S monthly section on hispanic marketing takes a look at Miami's Spanish-language radio market and Tatham-Laird & Kudner's affiliation with an hispanic agency, plus account shifts, products entering the market and new data on TV viewing habits. Starts on Page 58.

Special Report

Media Outlook:
Despite fears about the economy, media executives see hope for their markets in 1988, partly because of the Olympics and elections. Major media categories and trends are examined. Starts after Page 48.

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NBC tops Nov. sweeps

CBS creeping up

By JAMES P. FORKAN

NEW YORK—The November TV "sweeps," the first under the new A.C. Nielsen Co. people-meter system, showed NBC staying on top and CBS challenging ABC for second place.

For the sweeps period itself, CBS ended up second. For the season through Nov. 22, CBS was 0.2 ratings points behind ABC.

This was the first time in more than a decade that CBS had entered the sweeps as the No. 3 network, which contributed to the resignation of Bud Grant as CBS Entertainment president late last month (AA, Nov. 2).

He was succeeded by Kim LeMasters.

Despite the sweeps showing, CBS VP-Marketing David Poltrack complained that his network—and the three-network prime-time share levels—declined from last fall because there is a "substantial overrepresentation" of pay cable households in Nielsen's sample.

The new people-meter system also has puzzled some youngsters, who are not operating the right buttons while viewing Saturday morning cartoons (AA, Nov. 23).

Mr. Poltrack protested that Nielsen is tossing ratings data for all of Saturday viewing in those homes, thus deflating ratings for afternoon sports and prime-time fare.

That may be a factor in CBS' admittedly "big Saturday problem" in make-goods, he said.

Nielsen has not yet responded to his concerns.

CBS' ratings are higher in AGB Television Research data, which are not a major factor in agency buying. But AGB also has an imbalance in its sample with too many pay-cable homes (30% of its sample), Mr. Poltrack said.

CBS is the only network that subscribes to AGB *(see related story, Page 3)*.

At NBC, VP-Research Bill Rubens, not overly concerned about the imbalance, said he will check people-meter data's accuracy not with AGB's but with the Nielsen

(Continued on Page 90)

DDB's McKinney 'retires' to Kresser-Craig venture

LOS ANGELES—DDB Needham/-West Chairman Montgomery McKinney, 77, will retire from the agency at yearend to assume the new post of vice chairman of Kresser-Craig/D.I.K.

The veteran of DDB Needham Worldwide, Chiat/Day and Leo Burnett Co. will join DDB Needham's sister agency in an as-yet-unspecified role, contributing to the "general management" of the agency, said K-C/D.I.K. Chairman Bob Kresser.

"He's a tremendous role model for people in the business," Mr. Kresser said. "He can share his knowledge and expertise. He can be an ambassador to the ad community."

Mr. McKinney was a key figure in negotiations that led to the 1985 formation of the agency, a joint venture between DDB Needham and Dai-Ichi Kikaku, Tokyo, one of Japan's largest agencies. He serves on the K-C/D.I.K. board.

He leaves DDB Needham at a time of heavy turnover.

Two weeks ago, Exec VP-General Manager Simon Kornblit announced he would leave to become VP-marketing at Universal Pictures (AA, Sept. 7).

Earlier, several other key members of the agency departed, most notably Robert Kuperman, exec VP-executive creative director, who joined Chiat/Day in a similar post.

Mr. McKinney's departure from DDB Needham has been rumored for several months, but most observers assumed he would retire.

As part of his deal, Mr. McKinney will be able to reduce his responsibilities to include personal time for travel, writing and golf.

Mr. McKinney originally left the agency, known then as Doyle Dane Bernbach, in 1975 when he reached what was the agency's mandatory retirement age of 65.

Rather than retire, he joined C/D as exec VP-client services.

He was appointed chairman a year later.

In 1983, he rejoined DDB in his current post.#

West Coast News

PC's game plan

Commodore Business Machines, West Chester, Pa., has started the $2 million second phase of its two-pronged Christmas effort for the Commodore 64 personal computer. A new TV spot aims to convince children that the PC is the ultimate videogame machine. Grunin Bacal, New York, handles.

Decision time

NBC move crucial to AGB

By VERNE GAY

NEW YORK—NBC executives are about to make a crucial decision that could affect the future of AGB Television Research and that company's pioneering people-meter research.

Within the next several weeks, the TV network will decide whether to sign an estimated $3 million-to-$4 million contract with the U.S. subsidiary of British-based AGB Research PLC, the fourth-largest research organization in the world and the leader in TV audience measurement services outside the U.S.

If NBC spurns AGB, the company that single-handedly forced the issue of people meters in the U.S., AGB may find it difficult, if not impossible, to succeed in its battle against archrival A.C. Nielsen Co., Northbrook, Ill.

One reason is symbolism. Without at least two or three networks signed on, AGB will have a hard time being taken seriously.

But the other reason is cash. "If we only have one network going into [1988], it will be very difficult to break even," said AGB President-CEO Michael Poehner.

First-year AGB revenues are an estimated $7 million to $10 million, while operating expenses—high for the start-up company—are $25 million.

Operating expenses are expected to "drop significantly" next year after AGB completes the installation of its 5,000 home panel (there are 2,000 homes in the current panel).

Mr. Poehner said optimistically the company could reach $20 million in revenues next year.

But without NBC, that goal may be wishful thinking.

So far, CBS is the only network to sign with AGB, for an estimated $10 million over three years.

ABC, which is going through an executive change in its research department, is not expected to sign,

(Continued on Page 76)

BBDO gets call to help struggling soft drink

Pepsi slices JWT

By PATRICIA WINTERS

Pepsi-Cola USA plans to juice up its struggling Slice soft-drink line with new creative in February to combat the now-crowded segment it created three years ago.

Somers, N.Y.-based Pepsi last week moved the estimated $30 million account of Slice—a juice-added soft drink—to BBDO Worldwide from J. Walter Thompson USA, both New York, after a creative shoot-out between the two shops.

The Slice loss all but eliminates the beleaguered JWT from Pepsi's active roster and cements BBDO's winning relationship with client Pepsi. JWT, creator of the successful "We got the juice" theme, had Slice since its introduction in 1984.

Pepsi is moving the brand at a time when the once-wildly successful Slice line has seen its share decline to 2.7% of the 10.5 billion-gallon soft-drink market, from 3.8% a year ago. Slice, however, remains the segment leader and a top 10 brand with some $1 billion in annual sales.

Analysts attribute the Slice decline to a slowdown in the juice-added segment, a decline in Pepsi's marketing support and new competition.

"Clearly, the potential for juice-added is not what Pepsi had originally projected," said Emanuel Goldman, analyst with Montgomery Securities, San Francisco. He noted Pepsi had hoped Slice would garner 10% of total market sales.

"Slice went up to a 4 share . . . there's just not that much potential for the segment, but it's hard to tell beforehand," Mr. Goldman said.

The juice-added segment accounts for about 4.5% to

(Continued on Page 93)

New idea: Bank mails ads home for preapproval

By SCOTT HUME

The First National Bank of Chicago is testing a marriage of direct-mail and TV advertising that its agency hopes is not consummated.

Several hundred of the bank's customers are getting by mail a color storyboard of a 30-second spot for its First Equity Credit Line home-equity loan program.

The cover letter accompanying the storyboard tells bank customers that First Chicago's marketing department would "like to know what you think of it."

Recipients are asked to answer a series of questions about the eight frames from the commercial, including "Do you think this commercial was easy to understand?"; "On a scale of 1 to 10, how could you rate this commercial?"; and "Why do you like or dislike the commercial?"

The commercial's story line involves a man's house telling him that "I've got equity up to my rafters. Use it!"

Foote, Cone & Belding handles First Chicago's media advertising;

(Continued on Page 94)

AdWatch survey of advertising awareness
Top 10 in October

One thousand people were asked: Of all the advertising you have seen, heard or read in the past 30 days, which advertisement first comes to mind? *Source:* SRI Research Center, Lincoln, Neb.

Rank		Advertiser	Agency
10/87	9/87		
1	3	California Raisins	Foote, Cone & Belding
2	1	McDonald's	Davis, Johnson, Mogul & Columbatto/Leo Burnett USA
3	4	Budweiser/Bud Light	D'Arcy Masius Benton & Bowles/DDB Needham
4	2	Coca-Cola	McCann-Erickson
5	5	Miller/Miller Lite	J. Walter Thompson USA/Backer Spielvogel Bates
6	—	Chevrolet	Lintas:Campbell-Ewald
7	6	Pepsi-Cola	BBDO Worldwide
8	7	Ford	J. Walter Thompson USA
9	—	Pampers	D'Arcy Masius Benton & Bowles
10	—	Want ads/classified ads	Various

World News Roundup

DUESSELDORF—Vereinigte Papierwerke, Nuremberg, after a test in Berlin, is going national with its Tempo Sany line of paper tissues impregnated with menthol and other cold remedies. Lowe Marschalk Luerzer here handles a TV campaign.

LONDON—British Airways this week breaks a new 60-second worldwide image commercial here. It features a BA Concorde supersonic jet flying to the moon and then to Mars. The spot, by Saatchi & Saatchi here, will air in the U.S. and other international markets at an undisclosed future date.

BRUSSELS—GB-Inno-BM, a large retailer, is negotiating to buy a significant stake in J.C. Penney Co.'s lagging European operations. If the

(Continued on Page 64)

Classifieds ring up recall

By SCOTT HUME

The uncertainty about the nation's economy, which had its most dramatic embodiment in the Oct. 19 "Black Monday" stock market plunge, has high-income consumers glued to the want ads.

Ominously claiming the No. 10 slot among October's 10 best-recalled advertisements in ADVERTISING AGE's monthly adWatch survey were want ads and classifieds.

These "wanted" listings had better unaided recall than several heavily advertised, discretionary-income products, including Burger King Corp. restaurants and E&J Gallo Winery's Bartles & Jaymes wine coolers. Both were bumped from the list after being among the top 10 campaigns in awareness in September.

Nearly two-thirds of the respondents who said want ads were the first advertisements they recalled were women (63%). Most also were from middle-income households: 63% with income between $20,000 and $40,000, none from households with incomes of $20,000 or less.

The greatest number of those naming want ads were between the ages of 45 and 54, with the 18-to-24-year-old group next. None were from the Northeast; most were in South Central or Western states.

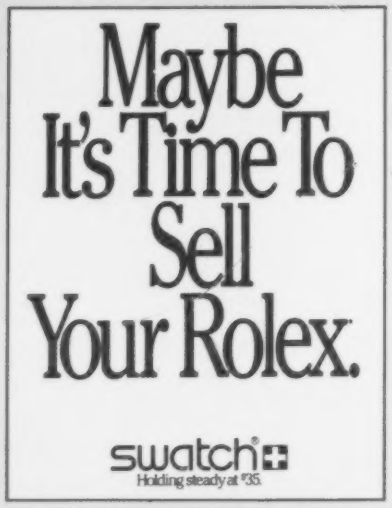
The California Raisin Advisory Board's dancing raisins again claimed the title as best-recalled advertising of the month. The raisins' recall level was aided by a monthlong promotion at Hardee's fast-food restaurants.

Customers who bought the chain's

(Continued on Page 76)

BEST OF PRESS

They had to act fast to make this claim, because things didn't stay that good for Michael Jackson's "Bad" for long. Credit BBDO Worldwide, New York, though, with being timely. Creative director: Ted Sann; art director: Nick Striga; copywriter: Barry Udoff.



Come on. You gotta laugh. Credit Calvillo, Shevack & Partners, New York, for an ad that takes a well-timed swipe at an icon of yuppiedom while it sells a new one. Despite Black Monday, some very funny, short copy. Art director: Merv Shipenberg; copywriters: Brett Shevack and Mona Monaghan; creative director: Brett Shevack.

If you've actually read the book in a bank line, you know. If you haven't, it's still a clever and decidedly simple way to point customers to client Signet Bank. Plus the literary touch is nice. Credit the Martin Agency, Richmond, Va. Art director: Cabell Harris; copywriter: Luke Sullivan; photographer: Dean Hawthorne.

How would you feel if your team were upset in the World Series? Upset. Credit Leo Burnett USA, Chicago, with picking the right moment to sell the right product. And that face. Whatta face. Art directors: Bill Colbert and Jeff Gregg; copywriter: Bob Welke.

FLASH REPORT: Newspaper advertising investment for September

September 1987	IN 100 THOUSANDS IN MILLIONS	DOLLARS		CHANGE	
CATEGORIES	YEAR	1987	1986	ACTUAL $ G OR L	% G OR L
Amusements	1987	$34,868,822	$27,628,332	+7,240,490	+26.2
	1986				
Computer stores & supplies	1987	5,929,077	4,386,610	+1,542,467	+35.2
	1986				
Department stores	1987	95,073,704	95,764,886	−691,182	−0.7
	1986				
Food stores	1987	36,782,312	30,394,682	+6,387,630	+21.0
	1986				
Radio, TV, phonographs, records	1987	17,120,939	17,812,430	−691,49182	−3.9
	1986				
General merchandise stores	1987	45,234,780	40,267,724	+4,967,056	+12.3
	1986				
Alcoholic beverages	1987	1,809,999	1,946,001	−136,002	−7.0
	1986				
Cameras, photo supplies & services	1987	516,234	289,297	+226,937	+78.4
	1986				
Computers, equipment & services	1987	1,875,808	1,698,492	+177,316	+10.4
	1986				
Public service utilities & communications	1987	7,483,843	5,847,001	+1,636,842	+28.0
	1986				
Publishing & media	1987	17,295,083	14,143,645	+3,151,438	+22.3
	1986				
Cigarettes	1987	4,272,089	3,185,681	+1,086,408	+34.1
	1986				
Airlines	1987	14,354,219	14,179,367	+174,852	+1.2
	1986				
Passenger cars-new	1987	26,516,448	20,912,661	+5,603,787	+26.8
	1986				
Banks & trust companies	1987	10,402,267	8,282,801	+2,119,466	+25.6
	1986				
Stock, bond & investment houses	1987	2,220,116	2,274,078	−53,957	−2.4
	1986				

This Flash Report of newspaper advertiser investments, compiled for ADVERTISING AGE by Media Records, is derived from tabulations that cover 29 dailies and 22 Sunday editions in 15 cities: Atlanta, Baltimore, Boston, Cincinnati, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown.

Source: Media Records Inc.

Sept. print spending jumps

NEW YORK—Newspaper ad spending surged in September.

As tabulated in the monthly ADVERTISING AGE Flash Report, which gauges spending in 29 daily and 22 Sunday editions in 15 cities, September posted the best year-to-year increase thus far in 1987. The Flash Report is compiled for AA by Media Records.

Total spending across 16 key categories was up 11.3%, to $321.8 million, from September 1986. And the gains were widespread. Only four of the 16 categories were down from year-ago levels: alcoholic beverages; department stores; radio, TV, phonographs and records; and stock, bond and investment houses.

It was the best monthly gain since May's 9.5% increase and a solid recovery from August, when spending was up only 5.9%.

Leading the categories in dollar increases was amusements, up $7.2 million, or 26.2%, from September 1986. Spending in the category has been running ahead of 1986 in every month but June. September was amusements' biggest year-to-year monthly jump so far in 1987. Hollywood filmmakers have been having a big year, and a strong holiday season could make 1987 a record year at the box office.

Spending by food stores, another robust category this year, also was strong in September, up $6.4 million, or 21%.

Ad spending in the new passenger car category turned in another big gain, compared with year-ago levels, but fell from its torrid pace of earlier in the year. For September, the category was ahead of 1986 by $5.6 million, or 26.8%. Monthly increases in the $8 million-to-$10 million range have been common in 1987.

A strong gain was reported in the general merchandise store category, up nearly $5 million, or 12.3%, compared with the same time last year. This category also has posted significant increases through most of the year.

The most dramatic turnaround for the month came in department store spending, the biggest category in dollar terms measured by the Flash Report. After a dismal June through August, when the category ran far behind the comparable 1986 period, the September total was off only $691,000 from a year ago. By comparison, August was more than $10 million behind the 1986 pace.

Cigarettes—another category badly behind 1986 spending levels—also staged a rebound in September. Spending was up $1 million compared with a year ago, a 34% increase. It was the first month this year that cigarette spending was up from the year-ago period.#

Take that, American Express. Visa International aims a swift and deft counterpunch at AmEx's "membership" campaign. BBDO Worldwide, New York, kept the illustration simple and let the headline and copy do the work, which they do persuasively. Creative director: Art Mellor; copywriter: Jimmy Siegel; art director: Phil Triolo.

Best of Press selections are made by a committee of three: Hank Simons, VP-creative director, Newspaper Advertising Bureau, New York; James Dunaway, VP-information, Newspaper Advertising Bureau; and Patrick Reilly, ADVERTISING AGE newspaper industry reporter. National System Inc., St. Louis, provides tearsheets to the Newspaper Advertising Bureau for much of this work. Agencies, clients and newspapers are invited to submit ads for review. Submissions should be sent to Mr. Reilly in AA's New York bureau.

As milestones fall, cable carries weight

By Len Strazewski

After years as the shunned stepchild of broadcast television, cable TV is coming into its own as a national advertising medium, say agency media buyers and cable industry analysts and leaders.

Building on increased penetration—recently reaching 50% of U.S. homes—affluent demographics, improved programming and falling broadcast TV ratings, cable networks are beginning to show on national advertiser buying schedules as 2% to 10% of the total media budgets, analysts and media buyers say.

By the end of this year, cable network advertising revenue is expected to top $1 billion, with more than $878 million generated from national advertisers—up 18% from last year—and $264 million from local spot sales—up 38%—from last year, according to reports from Paul Kagan Associates, a Carmel, Calif.-based industry analyst.

By 1996, Kagan expects ad revenue to quadruple to $4.5 billion with national advertising reaching nearly $3 billion.

Len Strazewski is a Chicago-based free lance writer.

"What has changed is the relationship of supply and demand," says Radford Stone, VP-national marketing, New York-based Cabletelevision Advertising Bureau. "This is still an oversupply in cable and that has kept the CPMs [costs per thousands] down, but there is an increasing demand for more impressions, particularly in high demographic cable households which broadcast television is not delivering."

> *"There is an increasing demand for more impressions, particularly in high demographic cable houses."*
>
> **Radford Stone**
> **Cabletelevision Advertising Bureau**

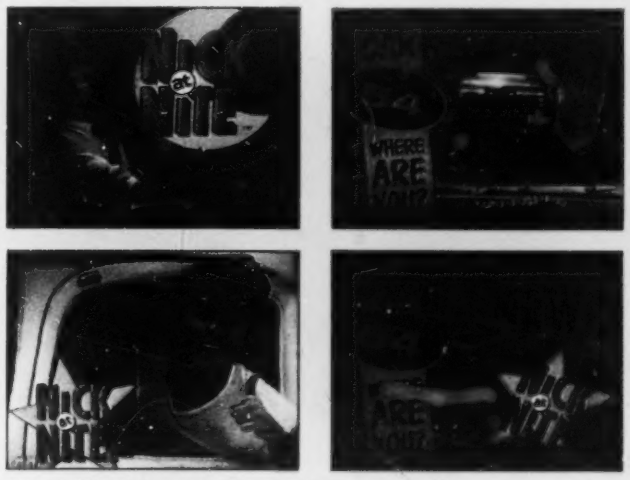
Broadcast TV ratings have been dropping overall, Mr. Stone notes, and falling particularly fast in cable households as new exclusive programming draws viewers. Moreover, recent studies, including a 1986 MRI survey commissioned by the CAB, have shown that many of the cable networks have a key affluent viewership 10% or more above the national average.

■ *Ad dollars flow with programming coups, more affluent, younger demographics*

ESPN, for example, has an audience heavily weighted to male affluent viewers and MTV appeals most strongly to young affluent viewers 25 to 34 years old. And according to composite data from a 1986 MRI study, cable households in general are more affluent—18% more likely to have incomes more than $50,000—and better educated—14% more likely than the average to have college graduates.

"Broadcast television underdelivers these valuable households," Mr. Stone says. "That has left media planners scrambling to add impressions to meet their strategic goals. That means shifting 2% to 3% of their budgets into cable."

Costs haven't hurt, either. Although cable ratings may be low—a 2 or 3 share for some shows compared with a 15 to 20 share for typical broadcast TV programming—CPMs are as much as four times lower—$3 to $4 compared with $12 for network television.



Nick at Night promos for shows such as "Car 54, Where Are You?" have won enough followers for the channel to boast big ad revenue gains.

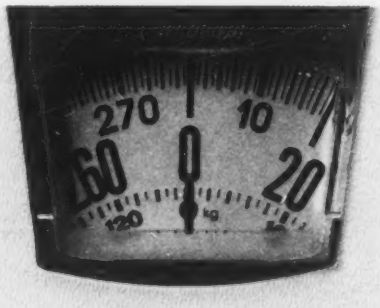
What media buyers aren't getting in total number of viewers they are making up with total impressions, buying more frequent cable spots in upscale cable homes.

"That's been the tactical response from many buyers," Mr. Stone says.

"And while we are glad to see that happening, we would prefer to see cable showing up more as part of strategic media plans from the beginning. That is also beginning to happen."

Mr. Stone says a recent CAB survey of leading national advertisers indicates that 20% of the largest national adver-

(Continued on Page S-8)



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CNN HEADLINE NEWS

YOU'LL SEE, WE CARRY A LOT OF WEIGHT WITH UPSCALE, LIGHT NETWORK VIEWERS.

Cable carries weight

(Continued from Page S-7)

tisers, including heavyweights Nabisco Brands, Coca-Cola Co. and Mars Inc., are committing up to 10% of their media budgets to cable.

Some national advertisers actually are designing spots for cable. PepsiCo, for example, recently premiered a 90-second Pepsi-Cola spot featuring Michael Jackson on MTV before slotting a shorter version for broadcast.

One reason for the upswing, industry insiders and outsiders agree, is recognition by agency media buyers of the value of cable. Agency media planners, longtime skeptics of cable's value as an ad medium, are now becoming outspoken supporters. They point to such breakthrough events as ESPN's National Football League contract, C-SPAN and CNN's live coverage of the Iran-contra hearings, Turner Broadcasting's colorized classic films and innovative original programming such as Showtime's "It's Garry Shandling's Show."

"As programming has im-

Cable TV advertising revenue: 1984-1987

Network	Gross advertising revenue (Dollars are in millions) 1984	1985	1986	1987	Net advertising revenue (Dollars are in millions) 1984	1985	1986	1987	% chg 1985-86	% chg 1986-87
Arts & Entertainment	$1.5	$5.5	$8.0	$12.0	$ 1.3	$4.7	$6.8	$10.2	45.5	50.0
Black Entertainment TV	3.0	5.0	6.0	7.0	2.5	4.2	5.1	6.0	20.0	16.7
Cable News Network (1)	49.0	68.0	93.5	116.0	41.6	57.8	79.5	98.6	37.5	24.1
CBN Cable Network	28.0	40.5	46.5	53.0	23.8	34.4	39.5	45.0	14.8	14.0
Country Music TV	1.3	1.5	2.0	2.5	1.1	1.3	1.7	2.1	33.3	25.0
ESPN	68.2	79.0	96.0	120.0	58.0	67.2	81.6	102.0	21.5	25.0
FNN/SCORE (2)	6.7	9.0	12.0	17.0	5.7	7.7	10.2	14.4	33.3	41.7
Galavision (3)	0.0	0.0	0.0	2.0	0.0	0.0	0.0	1.7	0.0	0.0
KTVT	0.3	1.3	1.4	1.6	0.3	1.1	1.2	1.4	7.7	14.3
Lifetime	21.1	25.3	35.3	41.2	17.9	21.5	30.0	35.0	39.5	16.7
MSGN	3.0	4.0	4.5	5.0	2.5	3.4	3.8	4.2	12.5	11.1
Modern Satellite Network (4)	0.1	0.2	0.0	0.0	0.1	0.2	0.0	0.0	0.0	0.0
MTV: Music Television	71.3	87.5	95.0	108.0	60.6	74.4	80.8	91.8	8.6	13.7
Nickelodeon	7.1	10.0	15.0	21.5	6.0	8.5	12.8	18.3	50.0	43.3
Univision (5)	3.7	5.5	7.2	8.5	3.1	4.7	6.1	7.2	30.9	18.1
Tempo TV (6)	0.7	0.6	0.6	0.5	0.6	0.5	0.5	0.4	0.0	-16.7
The Discovery Channel		0.8	3.5	9.0	0.0	0.7	3.0	7.7	37.5	157.1
The Learning Channel	0.2	0.3	0.3	0.5	0.2	0.3	0.3	0.4	0.0	66.7
The Nashville Network	18.0	32.0	42.0	49.0	15.3	27.2	35.7	41.6	31.2	16.7
The Weather Channel	7.0	9.5	11.0	13.0	6.0	8.1	9.3	11.1	15.8	18.2
USA Cable Network	36.0	50.0	58.0	68.0	30.6	42.5	49.3	57.8	16.0	17.2
Video Hits-1		5.3	9.5	15.0	0.0	4.5	8.1	12.8	79.2	57.9
WGN	10.0	13.0	15.0	15.5	8.5	11.1	12.8	13.2	15.4	3.3
WOR	3.5	5.0	6.0	7.0	3.0	4.2	5.1	6.0	20.0	16.7
WPIX	0.6	1.5	2.0	2.3	0.5	1.3	1.7	2.0	33.3	15.0
WTBS (7)	146.0	152.0	168.0	183.1	24.1	129.2	142.8	155.7	10.5	9.0
TOTAL/AVERAGE	486.3	612.3	738.3	878.2	413.4	520.5	627.6	746.5	20.6	19.0

Source: Cable TV Advertising, Paul Kagan Associates, Carmel, Calif. Notes: (1)Includes Headline News Billings. (2) Does not include FNN TelShop revenue. (3) Galavision is a Spanish-language cable service converting from pay to basic. It began selling advertising in 1987. (4) Modern Satellite Network ceased operations in Dec. 1985. (5) Revenue attributable to Univision (formerly SIN) Spanish-surname cable-delivered homes only. (6) Does not include Tempo TV sales of program time to home shopping revenue. (7) WTBS estimates do not include billings from Atlanta market sales, estimated at $14 million in 1986 and 1987, or barter revenue from the Goodwill Games in 1986.

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proved, so has penetration. And the households cable attracts are, in turn, attractive to advertisers. Subscribers tend to be younger, better educated and affluent," says Beverly O'Malley, director of electronic media for Saatchi & Saatchi DFS Compton, New York.

Erica Gruen, the agency's associate director of electronic media, agrees. "We're seeing cable come into its own, not only financially, but in terms of programming. In fact, because of its attractiveness to subscribers, cable's efficiencies can be better than most broadcast alternatives by as much as 40% to 60%."

An agency study of cable by Ms. O'Malley and Ms. Gruen released this summer points to the Nielsen ratings of early 1987 showing that for the first time, the network prime-time ratings dropped below 50%, down 3% from the previous year, and independent broadcast TV stations fell to less than 8%, also down 3% from the previous year. Meanwhile, cable and cable-carried superstations such as WTBS in Atlanta and WGN in Chicago increased their ratings 15% to 7.3% in prime time.

"Ratings on cable may still be small, given the sheer number of networks competing for their share of the viewing pie, but the overall growth pattern can no longer be denied," the study says.

For 1988, the study predicts continued growth of cable sports programming as a big advertising drawing card, the movement of one-hour action adventure shows such as "Riptide" and "Airwolf" to cable in lieu of syndication, more original cable programming and the continued development of special interest networks such as MTV and Nickelodeon, CNN and The Discovery Channel.

> ***"When a cable network skews toward a particular audience . . . buying cable households becomes very important."***
>
> **Kevin Burns**
> **Ogilvy & Mather**

MTV's Nickelodeon and its later-hour counterpart Nick at Night has been a particular surprise this year, drawing toy and cereal advertising for its daytime children's programming and package goods spots at night. Russ Naiman, VP-advertising sales for Nickelodeon and Nick at Night, would not disclose total ad revenues, but says Nickelodeon's revenues doubled over the last three years and Nick at Night more than doubled over the last year.

Daytime highlights include "Double Dare," a kid's game show that has generated a 3.5 share and reruns of "The Monkees," an almost 20-year-old musical sitcom that has become a cult hit.

Nighttime highlights include other television classics such as "Car 54, Where Are You?" and "Laugh-In."

Another factor spurring the growth of national advertising on cable is media-planning technology. For years, agency media buyers and cable industry leaders have bemoaned the lack of accurate ratings and a means to compare the value of broadcast ratings and cable ratings.

The introduction of people meters, however, has improved TV viewing measurement, Mr. Stone notes, and has proved cable industry claims that diary-based measuring techniques were under-reporting cable usage. The new Nielsen data from the meters shows broadcast TV with smaller shares during prime time than ever before (73), with daytime scoring 61 and late-night dayparts 54.

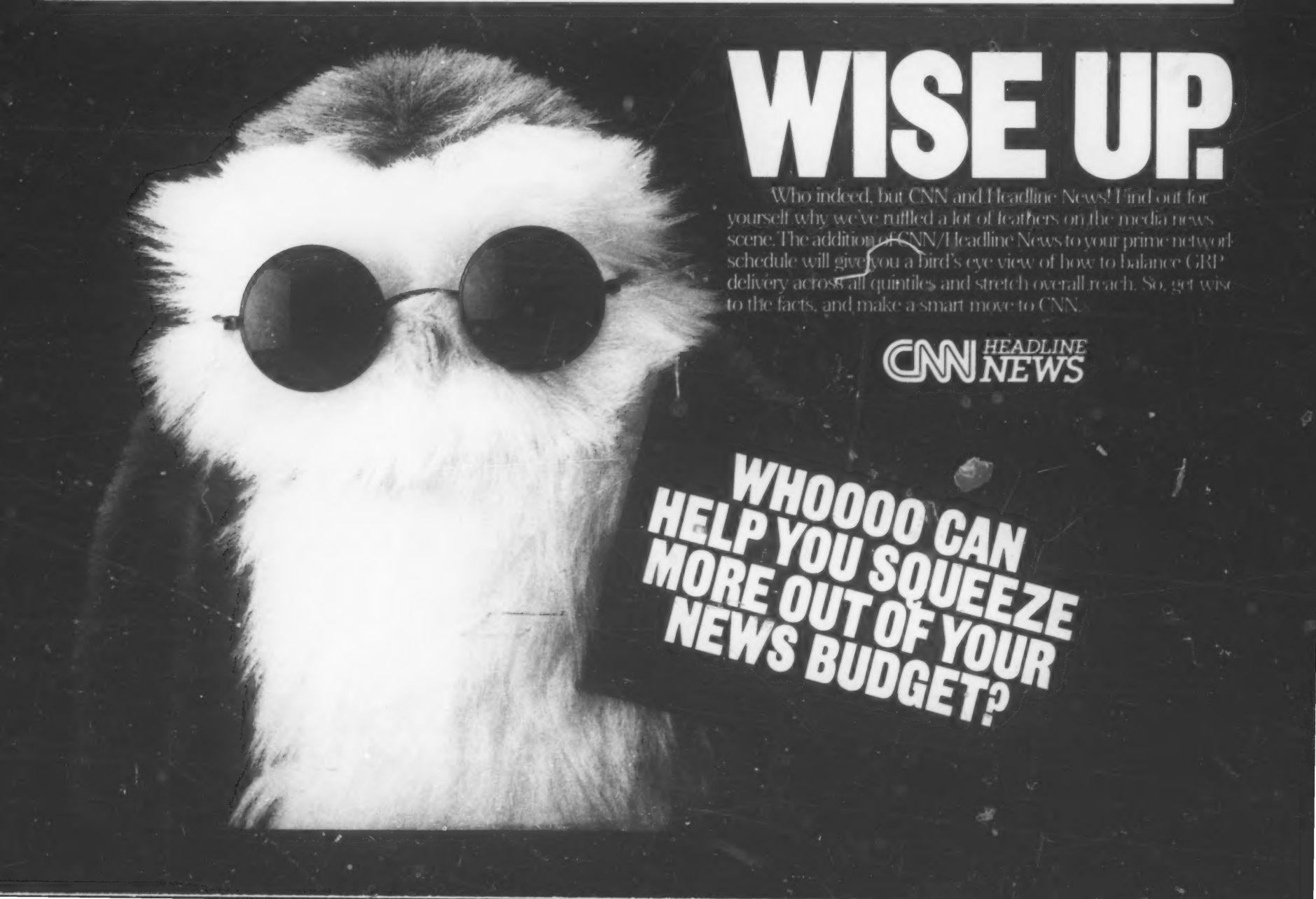
Last summer, when broadcast networks ran reruns, cable viewership increased sharply, according to the latest Nielsen figures. On a 24-hour basis ad-supported cable network's ratings rose by 40% during the summer months, resulting in a gain of 866,000 homes per av-

(Continued on Page S-10)

Cable TV network census: April 1987

Network	Subscribers	Affiliates
ESPN	41,100,000	15,760
WTBS	41,078,000	11,819
CNN	40,204,000	10,723
USA	39,000,000	8,500
CBN	35,834,000	7,582
MTV	33,400,000	4,709
LIFE	32,338,000	3,300
TNN	32,000,000	4,800
NICK	31,700,000	5,005
NICK AT NITE	27,500,000	3,862
C-SPAN	27,500,000	2,600
C-SPAN II	9,200,000	400
TWC	27,000,000	2,700
CNN-H	26,220,000	3,170
FNN	25,000,000	1,600
FNN SCORE	19,750,000	1,066
FNN TELSHOP	10,000,000	660
A&E	24,000,000	2,400
WGN	22,481,000	9,929
VH-1	18,800,000	1,697
DISC	16,700,000	1,650
CVN	16,598,490	1,350
BET	14,000,900	860
HSN	14,000,000	1,036
TEMPO	12,500,000	641
WOR	9,227,990	2,147
TLC	7,850,000	800
CMT	6,300,000	482
UNI (SPAN)	4,311,900	409
UNI (TOTAL)	34,381,800	409
WPIX	2,471,000	317
MSGN	2,015,000	90
KTVT	1,891,000	169
LBN	1,300,000	90
WSBK	1,204,895	35
GALA	750,000	288

Source: Cable TV Advertising, Paul Kagan Associates, Carmel, Calif.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WHOOOO CAN HELP YOU SQUEEZE MORE OUT OF YOUR NEWS BUDGET?

Cable carries weight

(Continued from Page S-9)
erage hour while pay-cable services increased by 18% or 288,000 homes per quarter.

By daypart, ad-supported cable ratings increased 33% in prime time, 42% during daytime and by 21% on weekends. The Nielsen study shows that advertiser-supported cable and pay cable had audience shares of 22 and 20, respectively, for a 42 total, larger than the broadcast total of 41.

> ***"Cable's efficiencies can be better than most broadcast alternatives by as much as 40% to 60%."***
>
> **Erica Gruen**
> **Saatchi & Saatchi**
> **DFS Compton**

To guide media planners in using the new data, CAB also introduced the Cable Planning System. A computer-software product based on the popular Lotus 1-2-3 personal computer spreadsheet program, the Cable Planning System is designed to use product-use demographic data with ratings information to target impressions in households with greater product buying propensity.

"Essentially, media planners use it to put the majority of impressions in front of the people who buy the product," explains Carol Lansen, senior account exec at CAB. Now in use at most major agencies, including Young & Rubicam, BBDO, Ogilvy & Mather and others, the system was designed to help media planners budget for cable purchases.

For example, if cable households have a 110 product usage index—10% more likely than the average to buy a product—they account for about 55% of sales, making them a good target for advertising. However, because broadcast TV delivers only about 45% of cable households, the planning system reveals that as a medium, broadcast TV is under-delivering the key households. The system then advises buyers as to how much cable time must be purchased to balance the buy.

"It's a very straightforward system," says Kevin Burns, manager of broadcast and new technologies at O&M, New York. "It gives you a formula for figuring out what you should be buying in cable."

O&M, he says, has been buying substantially more cable, because of the system and improved programming.

"Using cable has become more of a mainstream consideration," Mr. Burns says. "In some cases, there is no reason to buy any cable at all, but in a lot of situations, particularly when a cable network skews toward a particular audience . . . buying cable households becomes very important. In those situations, the Cable Planning System helps figure out what's needed."

Gene DeWitt, president, DeWitt Media, New York, a media-buying and consulting company, says the system "is the first objective means of calculating how much of a TV budget should go into cable."

Previously, he says, media buyers followed their intuition and bought small amounts of cable time on an experimental basis. Some small advertisers saw cable as a bargain and put 20% to 40% of their budgets in it. The planning system, however, quantifies the audience and eliminates the guesswork.

"To me, cable is just television and buying cable requires the same analysis as buying television," Mr. DeWitt says. "You've got to know who the audience is and how many impressions they are receiving. After that, it's a question of money. If I can buy cable impressions at $5 CPM with as good or better qualified audience and am being charged a $12 CPM for broadcast television, I'm going to buy more cable. Cable is the last bargain left in television advertising."

Cable TV gross revenue estimates

Year	Cable network ad rev.	% chg	Nat'l/local spot cable	% chg	Nat'l/local revenue per sub.	Total cable ad rev.	% chg
1980	50	—	8	—	0.38	58	—
1981	105	110	17	109	0.78	122	110
1982	195	86	32	90	1.26	227	86
1983	303	55	50	58	1.70	353	56
1984	486	60	86	70	2.61	572	62
1985	612	26	139	62	3.91	751	31
1986	738	21	192	38	5.09	930	24
1987	878	19	264	38	6.63	1,142	23
1988	1,044	19	351	33	8.36	1,395	22
1989	1,229	18	456	30	10.35	1,685	21
1990	1,412	15	571	25	12.36	1,982	18
1991	1,616	14	713	25	14.82	2,329	18
1992	1,849	14	856	20	17.14	2,705	16
1993	2,115	14	1,027	20	19.82	3,142	16
1994	2,374	12	1,181	15	21.99	3,555	13
1995	2,682	13	1,358	15	24.54	4,041	14
1996	2,979	11	1,521	12	26.80	4,500	11

Source: Cable TV Advertising, Paul Kagan Associates, Carmel, Calif..

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Agency layoffs slice careers

Crain News Service

NEW YORK—Consider Ted Fortin, one of those people close to admitting that his career on Madison Avenue may be at an end, after more than two decades.

Despite a portfolio that includes campaigns such as "It's not nice to fool Mother Nature" for Anderson Clayton Foods' Chiffon margarine (now owned by Kraft), and more recent work for Schieffelin & Co.'s Blue Nun wine and Procter & Gamble Co.'s Citrus Hill orange juice and Folgers coffee, Mr. Fortin now spends anxious afternoons alone in his Upper East Side apartment.

"In 1974, you still had a clubby atmosphere, but the acquisitions have changed all of that," said Mr. Fortin, who spent 16 years at Cunningham & Walsh (now N W Ayer), followed by a very brief stint at Grey Advertising, which ended abruptly last February.

"Many of the professionals who have been in the business a long time are having the hardest time," he said.

Faced with ever-growing pressure from clients, even large agencies like Grey that remain merger-free have trimmed their staffs to improve their bottom lines.

"I don't know of a single agency that hasn't had to re-evaluate its staffing," said Marvin Sloves, chairman-ceo, Scali, McCabe, Sloves. "We are all learning to manage our businesses better.

"The irony is that the people who had been most willing to make a commitment to an agency are the ones getting cut."

The job environment in advertising has never been bleaker, because today's retrenchment atmosphere may permanently diminish career opportunities in the field.

The downsizing of the ad business—the top 10 agencies have lopped off close to 1,000 adpeople this year (AA, Nov. 16)—means a rude transition for thousands of once highly paid and creative professionals.

"The agency business always went through cycles when they cut back, but this is more permanent," said Simmy Sussman, an executive recruiter in advertising for almost 20 years. "There is a very quiet resignation this time. . . . Now people almost accept that things are over for them."

Hardest hit by the paring are middle-age professionals like Mr. Fortin, who earned more than $100,000 a year as a senior VP-creative group head.

Those who had not quite made it to equity status and held middle-management posts became frequent targets because of their hefty salaries.

"They are doing away with levels. Account supervisors now have bigger groups and they use one copywriter instead of two," said Leslie Winthrop, president of the Advertising Agency Register, a clearinghouse for clients.

Photo by Sherri Nickol

Ted Fortin is among the many agency veterans who have lost their jobs and may not be able to get another in the advertising field.

She also is head of the Advertising Club of New York's new Mentor program, developed to help unemployed ad executives over the age of 45.

"Many people think it's their age—it's not," she said. "It's their price tag."

"We are of that age that we can empathize with these people who are often thrust into unemployment through no fault of their own," said Harold Levine, chairman of Levine, Huntley, Schmidt & Beaver and co-chairman of the Mentor program. "We are trying to help restore their self-esteem."

Jerry Fields, a veteran recruiter with 40 years' experience in the ad business, is teaching a course at Parson's School of Design entitled "Advertising Career Alternatives."

Even Mr. Fields has moved outside the traditional ad world. His company, Jerry Fields Associates, does half its $1 million in annual recruiting in graphics-related areas.

Less discouraged than some is David Capano, though he has been out of work since June. Mr. Capano, who started as a media planner at what was then called Ted Bates & Co. in 1971, has worked both on the agency and client sides. He believes he has more options than many executives who have spent their entire careers at one agency.

"I know a lot more people in the business, because I have moved around," Mr. Capano said. "You find out about the best jobs by networking."

While everyone in the business agrees the cuts have been harsh, there is less agreement about whether there is a stigma attached to being out on the street.

Many headhunters say being laid off today jeopardizes one's ability to land another job; others believe there is an understanding in the industry that many people simply have been pawns in a much larger game.

"A lot of these people were in redundant jobs," Mr. Sloves said. "I don't even look to see how long someone has been out of work—just if they have done good work."

For many pushed out into the streets, salvation, at least temporarily, has arrived in the guise of free-lance employment. Agencies stretched tight by layoffs more often are finding the need for temporary help.

"Agencies are using freelancers to do new-business pitches," said Frank Corkrum, a partner at the Team Works, a 6-month-old temporary ad personnel business in New York with a list of 150 professionals available. "Two-thirds of our people are between jobs, although some are finding out they like the free-lance life."#

AGB's future

(Continued from Page 3)

and NBC is "studying" the possibility of signing, one official said.

"We are now in active dialogue with NBC," said Mr. Poehner, who said a decision "hopefully" would come soon.

But Bill Ruben, VP-research at NBC, said the network was looking "closely" at the data and declined to say whether it would sign a contract.

"We're looking at them because we [continue to] have a lot of unhappiness about people meters in general," he said.

AGB numbers are lower

AGB's current numbers for the Big 3 networks are lower than Nielsen's. A recent study conducted by BBDO Worldwide found that from Sept. 21 through Oct. 21, AGB reported teen-age viewing levels 20% lower than Nielsen's own estimates. The ratings for women ages 25 to 54 were 9% lower; men, 25 to 54, 14.5% lower; and children, 10% lower.

The average network household rating was 3% lower in AGB, according to the study.

There seems to be no rhyme or reason to differences in individual program ratings, though generally CBS programs score higher with AGB than with Nielsen. For example, "Kate & Allie" on Nov. 9 scored a 16.2 rating and a 24 share in AGB, while the Nielsen rating was 13.6 and a 20 share.

Also, AGB recently suffered a setback by essentially admitting its own initial numbers probably were wrong.

AGB changed its "editing" procedure Oct. 26 in response to criticisms that its data collection method was faulty. In editing, the ratings service decides whether data from a certain household should be counted when a national rating is estimated.

The ratings service liberalized its editing procedures so that more homes would be counted, thus raising the ratings themselves.

"We saw that our editing procedures were depressing our ratings and probably not showing viewing levels correctly," Mr. Poehner said.

Will advertisers sign up?

One of the biggest questions for AGB is whether advertisers will sign up. So far, only RJR Nabisco has signed on, for about $50,000. Without General Motors Corp., Procter & Gamble Co. and other major advertisers, AGB eventually could run out of cash.

That cash comes not just from initial sign-on fees but from what AGB calls "special analyses"—the high-margin, customized studies done for clients.

For example, AGB executives estimate there is another $500,000 hidden in any potential NBC contract for these customized studies.

A related challenge is getting ad agencies, which usually follow their clients, into the AGB tent. Virtually all buying and selling of TV time—both barter syndication and network—continues to be based on Nielsen audience estimates.

About half a dozen agencies now subscribe to AGB, including BBDO, D'Arcy Masius Benton & Bowles and Young & Rubicam.

"If one or two major agencies during the upfront buying time in the coming year start negotiating on AGB, then it will give [the service] a possibility of being viable," said Betty-Ann Morse, VP-media research director at DMB&B. "But if agencies ignore it, I don't give it much of a chance."

High marks from agencies

Agency experts give AGB high marks for establishing a service quickly and providing numbers quickly and efficiently. Those who subscribe to AGB add that it will be months before they decide whether they will keep either Nielsen or AGB.

AGB has financial support from its parent company in the U.K., as well as from London-based MAI; the Schroders bank; Chemical Ventures, the venture capital division of Chemical Bank; and Prudential Insurance Co. of America.

AGB has financial support from its parent company in the U.K., as well as from London-based MAI; the Schroeder Bank; Chemical Ventures, the venture capital division of Chemical Bank; and Prudential Ins. Co.

There have been rumors for more than a year that New York-based Arbitron Ratings Co., Nielsen's archcompetitor in local TV ratings, would buy AGB. Some have suggested that AGB may soon actively pursue a buyer.

Arbitron has been focusing its effort to establish a national people-meter service via ScanAmerica. ScanAmerica now has an ongoing "single-source" service in Denver; Arbitron bought out SAMI/Burke, its partners in the project, on Sept. 1.

Mr. Poehner confirmed an Arbitron purchase is "possible," adding, "I've never even met with [Arbitron], but there's a lot of logic in this scenario."

Arbitron has other ideas, however. The company approached AGB three years ago about a possible buyout. AGB refused.

"They didn't need me three years ago—why do they need me now?" asked Arbitron President Rick Aurichio. "We may be too far along with our own project to need them anymore. It's possible that the bridges are burned."

Mr. Poehner, a former IBM Corp. executive, is cautious in his assessment of AGB's future. "It's a lot more complex market than anybody expected," he said in a recent interview. "I'm surprised how much AGB has accomplished in the time period it has. But there's a lot of work to do—there's no stopping now."#

AdWatch

(Continued from Page 3)

Cinnamon N' Bisquits could purchase figurines of the raisin characters. Rocky Mount, N.C.-based Hardee's Food Systems said the raisin campaign topped by 10% its previous sales record for promotional items (AA, Sept. 28, *et seq.*).

Ogilvy & Mather, New York, handles Hardee's and probably wishes more people had recalled the restaurant chain's name rather than the raisins.

McDonald's Corp.'s "Mac Tonight" campaign last month lost some of the steam that had propelled it to the No. 1 position in September.

But McDonald's was not far behind the raisins, ranking as October's second-best-recalled advertiser.

When the 1,000 adults were asked specifically which fast-food advertising they recalled, 42.3% named McDonald's. That was 9.4 percentage points below the record 51.7% of first mentions Big Mac garnered in September, but enough, as always, to keep it safely at the top.

Burger King was No. 2 with 16.3% of first mentions, up 3.9 points from September; Wendy's International was up 2 points to 8.1%.

The raisins helped boost Hardee's share to 6.4% from 4.7% in September.

AdWatch is a joint project of ADVERTISING AGE and SRI Research Center, Lincoln, Neb. Advertising awareness is measured by asking a nationally projectable sample to name the advertising that first comes to mind from all heard, seen or read in the previous 30 days. Consumers are queried on the first ad they recall overall and then in a variety of product areas.

In October, 1,000 adults were polled by telephone. Those changes in advertising awareness deemed statistically significant by adWatch researchers are attributable to more than sample variation.

Among other significant changes in the October survey results:

- Pepsi-Cola widened its lead over Coca-Cola in the **soft-drinks** category by declining less than its rival did. Pepsi got 35.4% of first mentions, compared with a 36.5% share in September. Coca-Cola's 27.1% share in October was down 5.7 points from its 32.8% showing the previous month.

The October survey was conducted before Pepsi-Cola began airing its latest Michael Jackson commercials (AA, Nov. 2).

The 4.2% share of first mentions that put 7UP in the No. 3 spot may not sound like much, but it represents the Uncola's best showing in more than two years.

Leo Burnett USA, Chicago, has produced new commercials for 7UP that introduce an animated character named "Spot" (AA, Oct. 5).

- Apple Computer still leads, but IBM Corp. is bouncing back and closing the gap in the **computer** category. Apple last month received 26.3% of first mentions, down slightly from 28.1% in September. IBM, which rose 3.8 points to 22.6% in September, inched up to 23.3% in October. Radio Shack was third with 4.4%.
- Another head-to-head battle where the gap has narrowed is that between Goodyear Tire & Rubber Co. and Michelin Tire Corp. in the **tires** category. Goodyear kept the No. 1 spot in October—a position it has held since April—with 21.6% of first mentions. Michelin's advertising was close behind with a 20.2% share. Firestone Tire & Rubber Co. was third with 3.7%.#

For more information or data, contact SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

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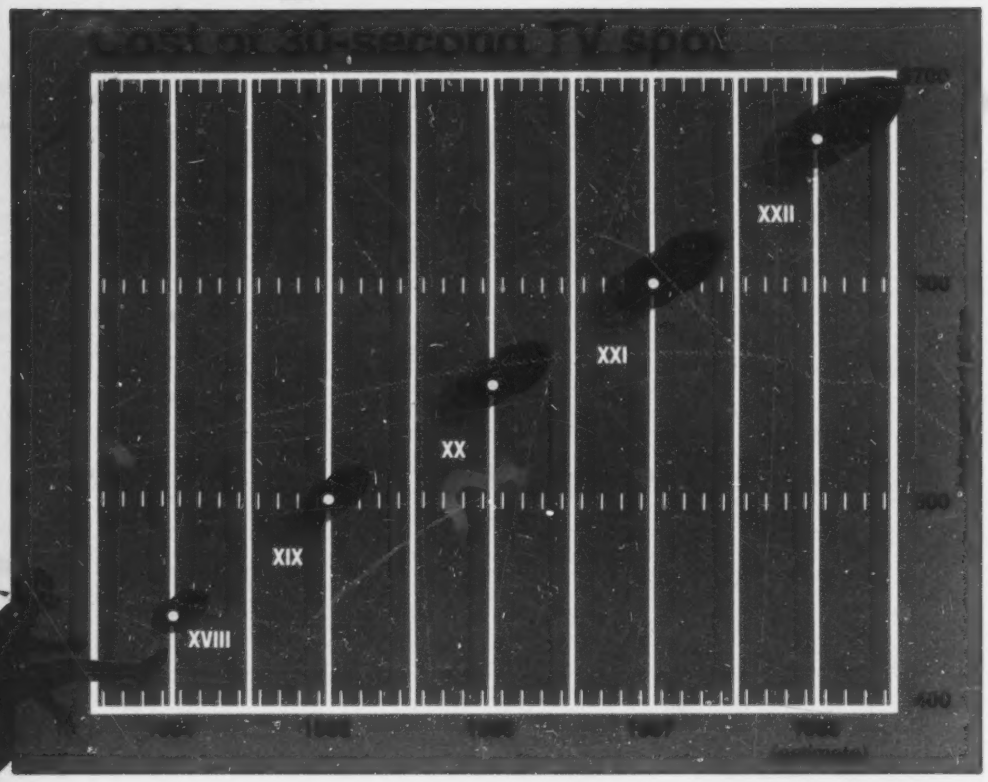
Super Bowl-buster



Graphic by Amy Palmer

ABC nears sellout on commercial time

By PATRICK McGEEHAN and VERNE GAY

NEW YORK—ABC-TV is on the verge of selling out all commercial inventory for Super Bowl XXII, eight weeks before the game is scheduled to air.

This virtual sellout of commercial time during the Super Bowl is one of the earliest in the championship game's recent history. It comes just seven weeks after a potentially devastating National Football League players' strike.

Most of the game's 51 30-second commercial units have sold for $600,000 to $650,000, a record for what usually is one of TV's most-watched programs.

For the three to four units still unsold, the network is asking up to $675,000 per :30, or $75,000 more than the top asking price by CBS for Super Bowl XXI, agency and network sources said.

ABC could reap up to $50 million for the entire Jan. 31 telecast, which will include pregame shows and a postgame show.

The range for the "wrap-around" programming is $185,000 to $475,000 per :30. The postgame show has been sold out.

ABC's unprecedented sales pace has been aided by an unusually strong three-network sports market. Also, ABC's "Monday Night Football" is recording stronger ratings this season than last.

"The Super Bowl has become an American event, strike or no strike," said *John Flieder*, assistant VP-consumer advertising, Allstate Insurance Cos., Northbrook, Ill., one of the game's sponsors. "I think it's going to draw the usual audience."

Allstate is one of several insurance and financial services companies placing extra emphasis on TV sports, once dominated by beer and automobiles.

John Hancock Mutual Life Insurance Co. and New York Life also will advertise during the Super Bowl; each has bought one or two spots.

Volkswagen of America has staked out auto exclusivity on the pregame and postgame shows for its VW and Audi cars, and VW will have one spot in the game.

(Continued on Page 76)

Cooler ads in turmoil as Gallo, Riney split

By JENNIFER PENDLETON and PATRICIA WINTERS

Three of advertising's most popular pitchmen may be on their way out—victims of the wine cooler wars.

With Hal Riney & Partners' surprise decision to resign the estimated $75 million E&J Gallo Winery account last week, the future of lovable hayseeds Frank Bartles and Ed Jaymes, who pitch Gallo's Bartles & Jaymes wine cooler, appears uncertain.

And sources close to Jos. E. Seagram & Sons, which has overtaken Gallo in the $1.3 billion market, said that company is testing "backup" copy without "Moonlighting" star Bruce Willis to determine whether he should continue to represent its brand in 1988.

Mr. Willis is credited with contributing to the meteoric rise of Seagram's Golden wine cooler from No. 4 just two years ago to category leader today.

Concern about spokesmen may have led to the Gallo/Riney split. Although neither Gallo nor Riney Chairman-CEO Hal Riney would comment, sources suggest Gallo Chairman Ernest Gallo and Mr. Riney may have clashed over Frank and Ed.

A source close to the agency said the 78-year-old Mr. Gallo, legendary for dispensing personal abuse on agency people, had been particularly hard on Mr. Riney concerning Bartles & Jaymes' share decline.

> *"There comes a time to break free."*
> **—Riney exec**

But Mr. Riney apparently defended the advertising, believing the agency's creation of the two characters was the key factor in the brand's phenomenal, early success.

Bartles & Jaymes lost its leadership position to Seagram this summer (AA, Nov. 23). Its share dropped to 27% nationally, while Seagram attained a 30% share from January to August this year, according to Gomberg, Fredrikson & Associates, San Francisco, wine industry consultants.

One source said Mr. Riney had lunch with Mr. Gallo early last week, and several hours later sent an overnight letter to the winery head informing him the agency was resigning the business.

Other sources said the Riney shop wanted to rid itself of some of the less well-advertised Gallo brands, a prospect that did not sit well with Gallo management.

Riney recently had great difficulty getting approval on two campaigns. The San Francisco-based agency battled successfully to get new commercials for Gallo's Andre sparkling wine—breezy tongue-in-cheek spots featuring celebrities Dick Cavett and Pearl Bailey, among others—on the air this holiday season.

(Continued on Page 74)

Last Minute News

Florida leaders endorse repeal plan

TALLAHASSEE, FLA.—Gov. Bob Martinez and legislative leaders on Dec. 4 endorsed a proposal to repeal the state's 5% tax on advertising and other services, with no replacement tax, as of April 1 *(see earlier story on Page 77)*. American Advertising Federation President Howard Bell welcomed the proposal, which is expected to be acted on this week, but said he would favor a Jan. 1 repeal date. Mr. Bell said AAF will drop its suit against the state if the plan is approved.

Sears offers ad opportunities

CHICAGO—Sears, Roebuck & Co. for the first time is offering space to advertisers through a direct-marketing program called "The Sears Ad-

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HOLIDAY MARKETING

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Federal to express itself again

Fallon readies $20M effort

By GARY LEVIN

Federal Express Corp., which had throttled back on its advertising despite growing competition in the estimated $4 billion courier market, on Dec. 20 breaks its first national TV campaign from Fallon McElligott.

A $20 million campaign, including network TV, print and radio ads, will carry the Memphis, Tenn.-based company into the Jan. 31 Super Bowl telecast and coverage of both the Winter and Summer Olympics. Federal is a major sponsor of the Olympics.

It is the first concerted Federal Express campaign in nearly a year.

Federal Express officials declined comment on the new campaign, but a source said the effort is "quintessentially the leadership campaign" for the carrier, which claims a 50% share of the U.S. overnight door-to-door delivery market.

United Parcel Service of America, Greenwich, Conn., is second with an estimated 13% share.

The new ads are themed "It's not just a package. It's your business," a line first used during the company's sponsorship last August of TV coverage of the St. Jude Golf Classic.

During that event, the company also tested several offbeat spots, and it has since tested other TV and radio spots and print ads in local markets.

The golf tournament spots, including one in which a spokesman "plays" his lips with his fingers, are not believed to be part of the new campaign.

One print ad appearing in the Nov. 30 issue of *People*—and typical of much of Fallon McElligott's work—shows an unmarked pouch, captioned "Typo," next to a Federal Express Overnight Letter, above the heading, "Letter Perfect." The copy says, "It's never a mistake to send it Federal Express."

An agency source said TV spots "will look appreciably different" from the side-by-side print comparisons.

The campaign will include commercials that stress the company's international service as well as its domestic operation.

The more hard-hitting competitive approach, which will not mention rivals by name, contrasts sharply with earlier, humorous Federal campaigns from Ally & Gargano, New York.

Ally lost the $20 million domestic business to Minneapolis-based Fallon in a competition earlier this year (AA, March 30).

Fallon already had the estimated $10 million international account, awarded to the agency after Federal pulled the plug on ZapMail, a facsimile transmission service, before it ever was launched.

Federal has seen rivals in the intensely competitive business lure corporate clients with attractive rates.

But a spokesman claimed increased competition and lower ad spending levels have not eroded its market share.

The company's measured ad spending dropped by 21% to $26 million last year, according to Leading National Advertisers. In the first half of 1987, Federal spent only $5 million on measured media.

Besides UPS, which recently began an aggressive marketing thrust in the overnight delivery market, Federal's competitors include DHL Worldwide Courier Express, San Bruno, Calif.; Emery Worldwide, Wilton, Conn.; and the U.S. Postal Service's Express Mail service.#

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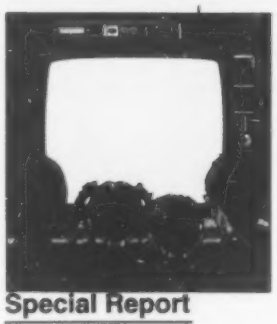

Special Report

Cable:
Cable TV is proving to be a viable outlet for shows unwanted by TV stations. The section also examines cable promotions and local sales. Starts after Page 40.

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ABP ABC MPA

Rukeyser gets post at Whittle

By PATRICK REILLY

Whittle Communications has recruited former *Money* and *Fortune* Managing Editor William Rukeyser to be its editor in chief.

Whittle founder and Publisher Christopher Whittle called Mr. Rukeyser, currently Time Inc.'s director of international business development, the "important media player" he had been seeking.

Time Inc. loses the editorial executive who had been shepherding plans for the launch of a French version of *Fortune*, a joint venture with Paris-based Hachette Filipacchi Group, along with other foreign publishing projects.

Mr. Rukeyser will join Knoxville, Tenn.-based Whittle early next year and will be involved immediately in a "major business launch," Mr. Whittle said last week. The launch will be advertiser-supported but not a single-sponsor publication, he said.

"It's not the sole reason he's here, but he is well suited for the project," Mr. Whittle said.

Mr. Rukeyser was the founding managing editor of *Money* and served as managing editor of *Fortune* from 1980 until last year.

Whittle, with annual revenues of more than $100 million, specializes in single-advertiser-sponsored magazines, newsletters, videotapes and wall information centers targeted to specific audiences.

Mr. Whittle made his name in publishing by acquiring *Esquire*,

(Continued on Page 74)

Noble exits DDB to start own shop

By GARY LEVIN

John Noble says the "bigness" of DDB Needham Worldwide led him to leave as exec VP-executive creative director to form his own shop in San Francisco.

Mr. Noble, 47, will open a new agency early next year either alone or with one or more partners, he said. He has signed a "no-compete" agreement preventing him from luring DDB Needham clients for one year.

"I couldn't handle the bigness anymore," he said. "I want to get back into advertising and do advertising, which is what I do best."

Mr. Noble, who spent most of his career in New York, also said he fell in love with San Francisco. He wants to give something back to the city and plans to do it by donating 20% of his profits to a charity designated by the individual clients involved.

He plans to advertise the donations as a method of drumming up business. "It's a quick way for me to say I really do care about the city," Mr. Noble said.

During a seven-month stint at DDB Needham in San Francisco, Mr. Noble hired seven creative staffers, including Brian Barnes, who joined the agency as exec VP-executive creative director from VP-senior art director at Hal Riney & Partners.

Mr. Barnes replaced former Creative Director Mort Scharfman.

Mr. Noble served as interim creative director during the search and worked on campaigns for clients including First Nationwide Savings.

But he rejected an offer to assume that post permanently, viewing it as a "comedown" from his role as executive creative director and a member of the agency's board.

His post as executive creative director will not be filled. Instead, agency Chairman-CEO Keith Reinhard, based in New York, will continue to supervise the agency's creative work.

Mr. Noble's role at DDB Needham is said to have been vaguely defined in recent months, as the agency sought a post for him after last year's merger of Doyle Dane Bernbach and Needham Harper Worldwide.

Mr. Noble joined DDB as a copywriter in 1965, rising to copy chief in 1974 and associate creative director in 1978. He became executive creative director in 1986.#

Alice Z. Cuneo in San Francisco contributed to this story.

West Coast News

DEC

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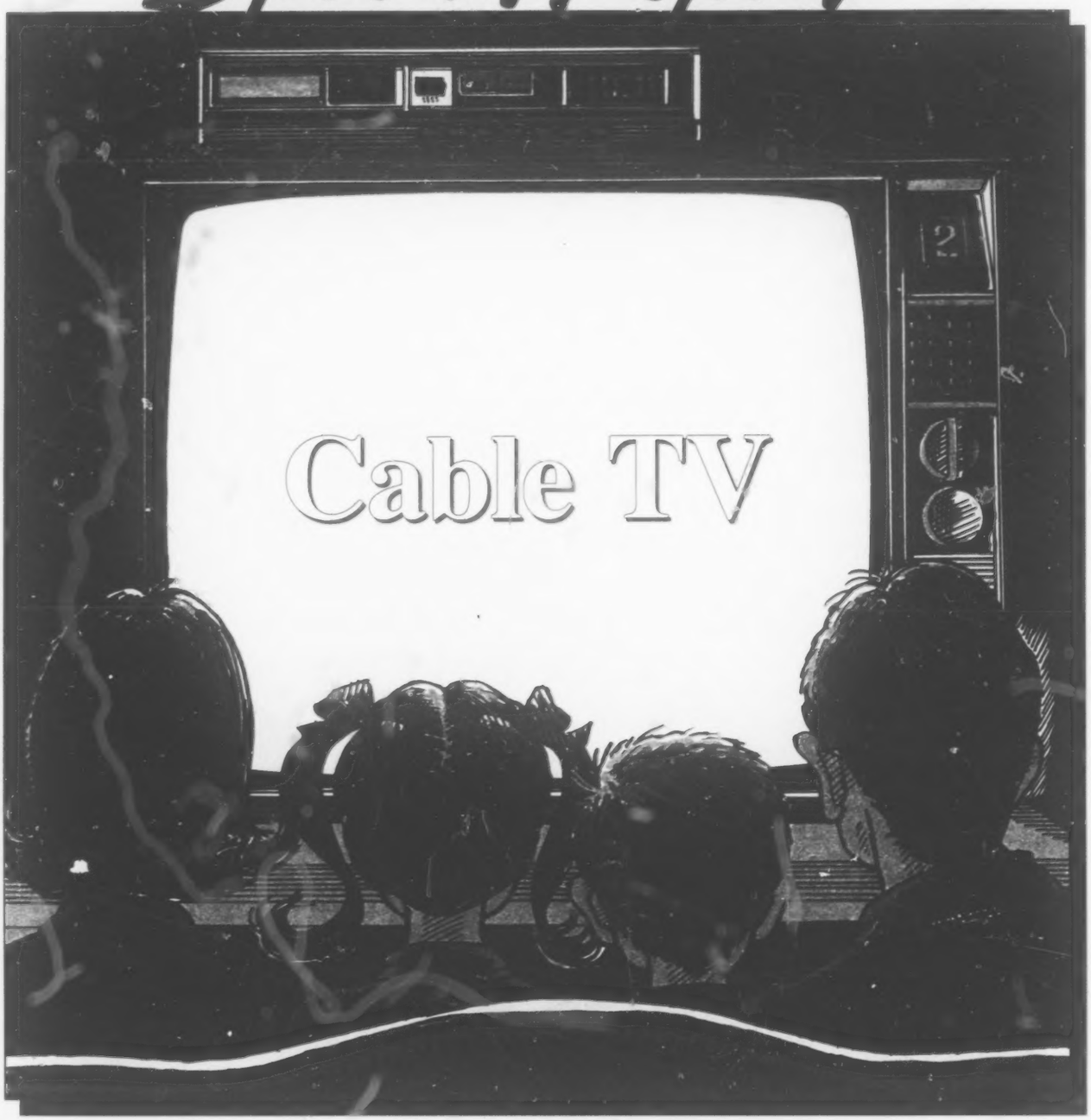
Special Report



Syndicator wares fill cable cupboard

By Wayne Walley

"Miami Vice," the hip cop show that set new pastel standards of style for TV, could be at the forefront of another growing trend—exclusive sales of off-network programs to cable networks by TV syndicators sometimes before they are offered for sale to broadcast stations.

Cable TV is filling a void as an outlet for syndicators unable to sell its wares—particularly one-hour shows—to TV stations.

And cable programmers, with a little promotional savvy and salesmanship, are buying those unwanted programs.

"What do the syndicators have to lose? If a high-profile, off-network show works on cable, broadcasters might become more interested," says Chuck Gingold, VP-programming, Lifetime Cable Network, a division of Capital Cities/ABC, New York.

Even if the show doesn't succeed on cable, the syndicator still recoups some money from the cable sale.

When MCA TV, Universal City, Calif., couldn't find enough TV station buyers for "Miami Vice," the company turned to the USA Network. USA, one of the top-rated cable networks—partly because of the performance of exclusive off-network shows like "Riptide" and "The New Mike Hammer"—was interested, but reportedly turned down a proposed $300,000-per-episode deal last spring.

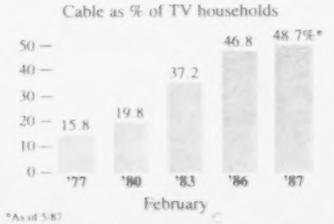
Then in mid-November after negotiating a price with MCA, USA agreed to buy four-year rights to 92 hours of "Vice" beginning in fall, 1988, for an estimated $200,000 per episode.

The question now is whether or not the Michael Mann-created action/adventure show credited with revolutionizing TV will do the same for cable. "Miami Vice" becomes the first network series directly sold to cable while still airing on broadcast TV. And it could be a barometer of things to come.

(Continued on Page S-16)

Cable penetration growth

Cable as % of TV households



*As of 5/87

Source: A.C. Nielsen Company. From "Triumphs and Trends of the Cable Television Industry," a study by Bozell, Jacobs, Kenyon & Eckhardt, 1987.

Offbeat Nick at Nite pitch fills niche

(Continued from Page S-2)

brand awareness," says Mindy Goldstein, VP-promotions for Ohlmeyer Communications, New York, which has handled cable promotions on MTV and USA Network for various East Hanover, N.J.-based Nabisco Brands products, including Baby Ruth and Butterfinger candy bars.

For the networks, the stakes are high. Cable advertising revenues totaled $948 million in 1986 and are expected to top $1 billion in 1987, according to the CAB.

In the race for ad dollars, networks are increasing their promotion budgets, with an emphasis on tune-in promotions. To qualify for certain contests, viewers must watch the programs that are tied to the promotion.

Among the prizes in VH-1's contest commemorating the tenth anniversary of Elvis Presley's death was a 1957 pink Cadillac.

One of MTV:Music Television's off-the-wall promotions gave the winner a job as a roadie for Bruce Springsteen.

For example, The Nashville Network, which reaches 35 million subscribers, has a 1987 promotion budget double the amount it was two years ago. TNN's Christmas promotions—including a "Secret Santa" watch-and-win event—began in early November and are being advertised on the nightly network programs such as "Nashville Now."

In addition, RCA Records and American Motors Corp.'s Jeep division cosponsored "Join the Judds Sweepstakes," in which the winner received a trip for two to the Academy of Country Music Awards in Los Angeles, a Jeep Commanche Sportruck, and a visit with the mother-daughter singing duo. The "VideoCountry Contest," which kicked off in September, invites viewers to create an original music video. The winning videos are screened on "VideoCountry," TNN's weeknight music program.

"The cable industry is becoming a lot more programming driven," says Robert Alter, president of CAB. "It used to be that a cable system would almost dare viewers to find out what was on because there was no audience promotion, unlike broadcast television that does constant promotions for programming," he says.

Other industry watchers agree with Mr. Alter. "The industry is learning to do a much better job of informing cable subscribers about the services they have, and they have seen specific and dramatic results," says Larry Gerbrandt, a senior analyst with Paul Kagan & Associates, Carmel, Calif.

Observers say some networks and local system operators are using cross-network and cross-channel promotions to boost programming awareness. Because Nick at Nite airs on the same channel as Nickelodeon, the two services air each other's tune-in spots. Mr. Alter says some local operators have started to cross-promote various channels on services that attracts similar audiences.

The results of a recent CAB survey of cable operators on tune-in promotion support this assertion. For example, more than two-thirds of the cable system operators who responded said such promotions have resulted in increased subscribers.

More than half the respondents said program promotion has resulted in audience growth, while 44% felt tune-in promotion was helpful in increasing local advertising sales. All of the operators surveyed received CAB's monthly "tune-in" kit, which included ready-to-use, program specific promotional material.

"I won't tell you every time we do a promotion our ratings go up, but more often than not they do," says Ellen Kaye, director of marketing at USA Network, which reaches 39 million homes nationwide.

"And even if direct ratings don't go up over the promotion period, I believe that it serves to increase awareness of the programming," she says.

Other cable network officials agree. "Sweepstakes really aren't valuable in and of themselves," explains Laurence E. Rebich, VP-marketing, Lifetime, a division of Capital Cities/ABC, New York.

"The value of a sweepstakes is that it generates a little bit of excitement and makes your advertising message a little bit more memorable," he says. "If it's a pretty straight product ad, it will get some level of response. But if you wrap that ad in the context of a $1 million sweepstakes, you're going to get more attention paid to it."

Promotions this year on Lifetime included "The Ultimate Love Trip Sweepstakes," an on-air Valentine's Day contest that offered viewers the chance to win a 14-day trip for two to Paris, Venice, Rome and the French Riviera. The network's "Motherhood Celebration" ran in April and May and featured a sweepstakes with the winner getting a cruise on the Queen Elizabeth II.

"If you look at where Lifetime was two years ago and where we are today, it makes all the difference in the world," he says. "Advertisers are voting for Lifetime the hard way—with their dollars."

Network officials also say that for offbeat promotions to be effective, they must make sense to the viewer.

"We really try to look at who our audience is and design things that are going to be attractive to them," says Leslye Schaefer, VP-marketing for VH-1, MTV's sister network.

To commemorate last August's tenth anniversary of Elvis Presley's death, the network ran a monthlong tribute that included a weekend devoted specifically to programming about Presley and a contest that gave viewers the chance to win, among other prizes, an exclusive tour of Graceland and a 1957 pink Cadillac.

"It was very successful for us from an entry and a viewership standpoint," says Ms. Schaefer, who adds that the contest was the key to making the entire VH-1 promotion a success.

"[Without the contest] I don't think we would have gotten near the height of participation that we were looking for," she says.

At MTV, which is perhaps as well known for its off-the-wall promotions as for its programming, network officials say these types of efforts benefit advertisers as much as the network.

"It makes a difference for all the people who are tying in with us because it puts them in an environment that enables the message to cut through the clutter," says Bob Friedman, senior VP-marketing and promotion development for MTV Networks.

And whether the promotion offers viewers the chance to be a roadie for Bruce Springsteen or to spend a weekend in hedonism with Bon Jovi, the network's efforts have elicited huge responses, according to Mr. Friedman. One promotion co-sponsored by Geffen Records to give away a Jeep, for example, drew 700,000 viewer calls over just one week, he says. MTV reaches more than 37 million households.

Industry watchers say they expect spending on promotion to continue to increase. The 13 cable networks that participated in the National Cable Television Association's National Cable Month campaign last April contributed $23.5 million for advertising and promotional support. In 1988, they will spend $25.9 million, according to NCTA.

Executives at the networks that have had success with unusual promotions say they plan to heighten efforts in 1988.

For example, marketing expenditures that include promotional budgets at Lifetime, which reaches roughly 32 million households, were up 40% in 1987 from the previous year and will jump another 25% in 1988, according to Mr. Rebich.

And, Nick at Nite's 1988 marketing and promotion budget will be double that of 1987.

"I think [the promotions] have been instrumental in audience growth," says Mr. Cronin, who adds that the network is considering a celebrity bowl-a-thon promotion for the coming year. "Nick at Nite is something that has built this very loyal following but there are still some people that don't know about it. 1988 is the year that we really get the word out.

"It's important in cable television that you demonstrate that you have a unique network that is different from local independents and different from what the cable operator already has," he says. "We think of these promotions as offbeat but on-strategy."

Disney, Nashville nets find eager product tie-ins

The Disney Channel, Burbank, Calif., is turning to promotions with like-minded companies. Through a joint effort with General Mills, Minneapolis, consumers mailing proofs of purchase from three different food products—Fruit Corners, Fruit Roll-Ups and Fruit Wrinkles and Nature Valley Peanut Butter Boppers—to the marketer by April 18 received two $12 checks payable to the consumer's local cable company for the first two months of Disney Channel service.

"General Mills is a company that we consider to be of the same image and reputation and certainly having the same family target audience that we have," says Pamela Euler, director of consumer marketing for the channel, which has nearly 3.2 million subscribers as of the end of 1986.

Ms. Euler says Disney research indicates that two-thirds of the consumers who took advantage of the offer said they would not have subscribed without the promotion.

General Mills also was happy with the results, according to Kathryn Newton, PR supervisor for the company. Although Ms. Newton would not say whether General Mills experienced increased sales because of the promotion, she says that company officials believe the effort helped increase brand awareness: "We continue to believe that this is a very viable promotion opportunity."

Kentucky Fried Chicken, Louisville, Ky., had the same goal in mind when it linked with The Nashville Network in April to promote its song-writing contest.

"The audience for country and adult contemporary music is very closely aligned with the consumer base for Kentucky Fried Chicken," says John Weir, VP in the Los Angeles office of Edelman Public Relations, which promoted the contest. "It gives us a great way to reach our customers."

According to Mr. Weir, about 20% of the contest's 50,000 respondents entered through TNN this year. "There is no question," he says, "that the association with TNN has been very beneficial to the contest."

—*Fannie Weinstein*

Top 10 cable advertisers

Advertiser	Expenditures
Mars Inc.	$5,744,355
Philip Morris	5,427,642
Time Inc.	5,321,821
Procter & Gamble	5,174,055
Anheuser-Busch	4,283,601
RJR Nabisco	3,746,217
General Mills	3,654,724
Gillette	3,104,652
General Motors	1,970,705
American Home	1,837,816
Total	**$40,265,588**

Source: BAR data. ©1987 Cable TV Advertising, Paul Kagan Associates, Carmel, CA

Winning the battle in the neighborhoods

By Len Strazewski

It's football season and cable operators are cheering—for their home teams and local advertising sales.

Cable operators and industry observers predict a record year for local advertising sales—possibly as high as $300 million. They say this is due, in part, to the strength of expanded interconnects between regional cable systems, greater recognition of the value of cable by advertisers and improved sales techniques at the local operating level.

Most attractive to advertisers is New York-based Entertainment Sports & Programming Network's broadcast of 13 National Football League games. Each NFL game—the Pro Bowl, four preseason and eight regular season games—contains 24 local avails that are being sold for about three times the usual local ad rate of 50¢ per 1,000 subscribers, 25% to 50% of which are headed directly to the local operators' bottom line.

In addition to extra revenues, the NFL games are an effective marketing tool for local systems, providing them the kind of national programming that opens doors to major advertisers, say cable operators and ad representatives. "New programming in general is opening a lot of doors for cable, especially the NFL games. Cable programming like this is much more attractive than anything we've had before," says David Cantor, director of advertising sales, Cox Cable, Atlanta.

"There's no doubt that the NFL games are a breakthrough for cable," says Larry Gerbrandt, senior analyst at Paul Kagan Associates, Carmel, Calif., a media consulting company. "The cable-exclusive games generate a lot of excitement for cable operators and their representatives as well as local avails."

ESPN's acquisition of NFL broadcast rights was one of the major reasons for Mr. Gerbrandt's increase in 1987 local advertising sales estimate from about $252 million to $264 million. Mr. Gerbrandt estimates that local advertising sales could grow to $1.2 billion by 1995.

"If cable operators choose to market their avails correctly, the ESPN games could lead to a significant increase in sales. Cable sells very differently from broadcast and is very dependent on results. If a spot works, advertisers will return and buy more."

Ron Fischmann, VP-local advertising for New York-based Cabletelevision Advertising Bureau, agrees but believes Mr. Gerbrandt is underestimating 1987 local advertising sales. CAB is estimating 1987 sales of about $300 million, which would be a 60.4% increase from 1986.

"There's no doubt that ESPN's NFL games are a major breakthrough," he says. "The first preseason game had a 10 rating, which puts cable in the same ballpark as broadcast television."

But, he says, other factors have contributed to the dramatic increases in local advertising sales, among them: increased cable penetration, improved media-planning technology and greater sales professionalism.

With cable penetration topping 50% of U.S. homes, "cable is now regularly being seen in areas in which advertising agency personnel reside," Mr. Fischmann says. "They are finally getting a feeling for what cable is."

Moreover, Mr. Fischmann says, because new cable demographic studies by major researchers such as Simmons Market Research Bureau and MRI, New York, show that cable homes tend to be more affluent, agency people have become more interested in cable households.

New planning technology, such as the personal computer-based Cable Planning System, marketed by CAB, also has helped increase sales because agency buyers can better estimate the amount of cable advertising needed to meet their goals for cable households, he says. As a result, the number of manufacturers and distributors using co-op advertising on cable have increased 59% to 2,110 in 1987.

"This growth is indicative of the emphasis national manufacturers are placing on cable for local advertising," Mr. Fischmann says.

Cable operators also are making regional purchases easier with more interconnections between local systems, he says. CAB now lists 80 interconnects between two or more systems,

Len Strazewski is a Chicago-based free-lance writer and a frequent contributor to Special Report.

Top 10 MSOs

Company	Basic subscribers	Basic penetration
TCI*	5,165,000	57.0
ATC**	2,888,957	56.5
Continental	1,445,000	54.7
Storer	1,392,000	58.4
Cox	1,371,731	56.7
Warner	1,260,000	53.0
Comcast	1,242,744	55.8
United	1,084,431	56.8
Newhouse	1,026,602	63.4
Heritage	1,000,856	50.5

Source: NCTA data as reported in Broadcasting, May 25, 1987. From "Triumphs and Trends of the Cable Television Industry," a study by Bozell, Jacobs, Kenyon & Eckhardt, 1987.

*TCI figures include consolidated and equity affiliates but do not include its purchase of Heritage.
**ATC figures do not include Paragon Cable numbers. Figures are for March 31 unless otherwise noted.

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up 45% from last year.

Local ad revenues at the 1.3 million subscriber Cable Television Network of New Jersey are up about 20%, thanks to increased advertiser awareness and improved specialty programming, says Jim DeBold, executive director.

Though the network is listed by CAB as the nation's largest interconnect, CTN/N.J. is not really a traditional interconnect because the network sells exclusive locally produced programming within New Jersey and does not sell local avails on big cable networks such as ESPN, Lifetime and USA Network, Mr. DeBold says.

Big sellers are health-related cable programs such as "New Lifestyles" and "Discover," designed to capture haircare and other health and beauty product advertisers.

More advertisers became interested in "New Lifestyles" when one haircare marketer reported 300 sales leads from a direct-response telephone number in its spot. The advertiser now uses cable advertising exclusively, Mr. DeBold says.

At New York Interconnect, the nation's largest traditional interconnect with 1.2 million subscribers, local ad sales are more of a strategic exercise than a sales pitch.

Established in 1980, New York Interconnect's local ad revenues have grown from 18% to 20% each year, according to John Kramer, VP-director of sales. And, he says, each year, the market has grown more competitive and sophisticated.

"As we've grown, the rules have changed. We are now competitors with the local broadcast stations, and that makes us work harder."

ESPN and Cable News Network are the interconnect's two biggest sellers, he says, and thanks to ESPN's success with the NFL, the best avails on that network are now selling out. But the other networks still require aggressive and sophisticated marketing.

For example, to sell cable ad time to Casa Lupita, a local Mexican restaurant chain, New York Interconnect reps plotted a campaign that targeted diners specifically in areas served by the restaurants. The reps used both local audience demographics and individual operator subscriber information to sell the chain a series of spots that appeared only in areas with restaurants.

"Advertisers are finally realizing that cable is pure efficiency—that we aren't limited to large [marketing areas]. We can target to very small areas and provide maximum use of the advertiser's dollars," Mr. Kramer says.

Some cable representatives combine their marketing efforts with print and radio. At Northwest Cable Interconnect, a Seattle-based system with 520,000 subscribers, reps sell spots, print ads in cable guides and bill stuffers. They also cross-promote programming and network promotions with print ads.

Advertising revenues have been growing at about 25% a year for the last three years, according to Penny Taylor, NCI's general manager. About 25% of the revenues are generated by car makers and auto dealer associations. The interconnect has diversified its advertiser base, however, to include PepsiCo, McDonald's Corp., Seattle First National Bank and other large local advertisers, says Ms. Taylor.

Though the Northwest area has been wired for cable since the late 1940s and has a strong viewership, "We still have to break down some barriers of perception," Ms. Taylor says. "Agencies want to know as much as they can about the viewing audience . . . As our research grows, so will our sales."

Cable TV's own classified section

Media General Cable of Fairfax, Va., the nation's 50th largest multiple system operator with more than 140,000 subscribers, according to New York-based Cabletelevision Advertising Bureau, is using new personal computer-generated graphic technology to transmit classified advertising with digitized color photographs of homes and condominiums for sale over local access cable channels. The channels advertise real estate, automotive and job listings.

In their first year of operation, the three classified ad channels already are generating one-third of the system's local advertising revenue—about $500,000 of $1.5 million.

Digitized photos of homes linked with sales information text fills a formerly unused Fairfax, Va., local access channel.

"The channels have been doing great for us," says VP-marketing and programming Don Mathison. "We're looking at adding at least two more classified channels in 1988 and some expansion of the technology to create ads in different formats."

Though Mr. Mathison says he doesn't believe that Media General is really competing with local newspapers for classified advertising, he sees the

(Continued on Page S-14)

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Ray Charles
Ronnie Milsap
Johnny Cash
Waylon Jennings
Merle Haggard
Emmylou Harris
Crystal Gayle
Nitty Gritty Dirt Band
Randy Travis
Charlie Daniels
Leon Russell
John Sebastian
Chet Atkins
Nicolette Larson
Loretta Lynn
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Reba McEntire
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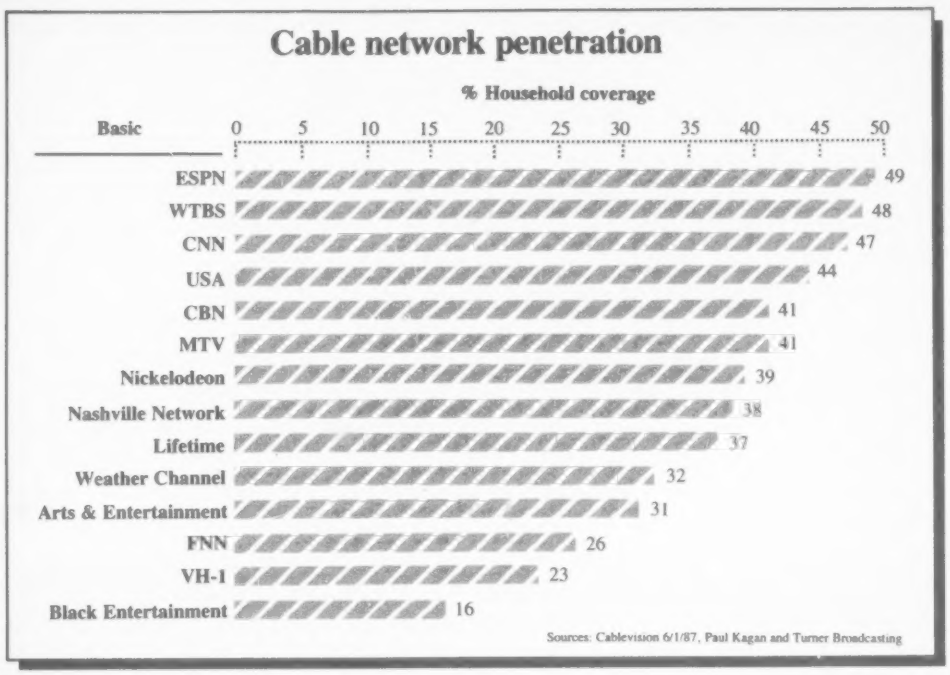

Filling the cable cupboard

(Continued from Page S-1)

Shows like Emmy Award-winning "Cagney & Lacey" and "St. Elsewhere" are likely to find a home on cable because of the lukewarm response from stations when offered in syndication this past year.

"It's pretty clear in the syndicated arena that one-hour product is available to us," says Mr. Gingold.

"Broadcast stations aren't buying. Syndicators have a stockpile, and they finally said, 'Gee, basic cable networks are in the black. They are customers.' "

The result: USA, CBN Cable Network and Lifetime have become the viable outlets for TV producers previously unable to recoup production deficits—as much as $350,000 per episode—on one-hour shows.

Each of the three cable networks have paid between $5,000 and $200,000 per episode for series such as "Crazy Like a Fox," "Falcon Crest," "Father Murphy," "Flamingo Road," "Hardcastle & McCormick," "Hell Town," "Jack & Mike," "Kay O'Brien," "Remington Steele" and "Riptide".

USA also bought a limited number of "Airwolf" and "Alfred Hitchcock Presents" hour programs before financing production of new episodes made for USA. "You purchase high-profile, off-network shows as a promotional vehicle," says Tim Kassick, director of programming, CBN Cable Network, Virginia Beach, Va.

"When you factor in the promotional potential from fresh off-network shows, it's worth it. It's better than buying 7,000 newspapers and a lot easier to coordinate. We have 8,000 cable operator affiliates. And problems are compounded in each market. NBC is on only one channel; CBN could be on 12 different channels in the same city," he says.

The high-priced acquisitions also have created another first for cable TV: a ratings battle.

Mr. Gingold called the fall "cable's most competitive season yet between the basic networks."

Overall, the strategy of buying exclusive off-network shows has paid off for cable networks. National ratings, which ranged between 0.8 and 2.0 last year for off-network shows on CBN, Lifetime and USA between the hours of 6 and 11 p.m., represented as much as a 400% increase in audience delivery.

Kay Koplovitz, president-ceo, USA Network, New York, in a speech to the Denver Advertising Federation last month, said basic cable networks this year have gained 40% in audience delivery while the Big 3 broadcast networks—ABC, CBS and NBC—were off 8% in total viewership on a 24-hour basis, according to A.C. Nielsen figures.

And, the high-quality productions and familiarity of a "Hardcastle & McCormick" or "Riptide" ease advertiser resistance to buying time on cable networks.

"[Cable] just hadn't progressed as fast as we thought it would. But we knew if cable spent more money for better programs, the advertiser demand would follow," says Bart McHugh, senior VP-director of national radio/TV programming, DDB Needham Worldwide, New York.

As a result, cable exploded as a top alternative for advertisers this fall. Every major cable network—Arts & Entertainment, CBN Cable Network, CNN, ESPN, CNN Headline News, Lifetime, MTV:Music Television, The Nashville Network, Nickelodeon, Superstation TBS, USA Network and VH-1—reports scores of new advertisers amid the tightest fourth quarter ad marketplace in cable TV history (AA, Nov. 9).

Many industry analysts had said cable TV would never come of age until it produced original programming that earned the broadcast network-type ratings attractive to big advertisers. But the crowded and costly broadcast markets are pushing more marketers to cable TV.

"Miami Vice" will air in 1988 on USA Network.

"Advertisers are finding a fragmented marketplace and they can't make it up just by buying syndication. The networks are losing audience share and our research shows only cable restores it," Ms. Koplovitz says.

Advertisers such as Adidas USA, Campbell Soup Co., Dannon Co., Duracell Inc., Eastman Kodak Co., Ford Motor Co.'s Lincoln-Mercury division, E.&J. Gallo Winery, Lever Bros. Co., National Dairy Board, Nintendo of America, Perrier Group, Polaroid Corp., Timex Corp. and others recently have bought cable for the first time in 1987.

"Cable's been hot," says David Verklin, VP-media director, Hal Riney & Partners, San Francisco. "I only see cable buys increasing because it's easier to sell clients today. More advertisers have cable in their homes. They know what it is about. And cable is getting better programming. How hard is it for an advertiser to understand the U.S. Open in tennis or NFL football, even if it is on USA Network or ESPN?"

Many people have ignored cable because the medium did not live up to its original lofty predictions, says Mr. McHugh. Two years ago most cable observers were saying, "Where's the promise? Cable didn't deliver."

"Remington Steele" now does its sleuthing on CBN.

But cable TV's fortunes have changed this past year, say industry observers. Cable penetration reached 50% of total U.S. homes this year, according to Cabletelevision Advertising Bureau, New York, while programming and ratings also have improved.

"Advertiser objections to cable are slowly falling apart," said Bruce Braun, VP-western region ad sales, USA Network, Los Angeles.

With increased revenues, greater penetration and wider acceptance, those in the industry say cable will get stronger as it procures more top off-network series, begins producing its own higher-quality programming and wins rights to other quality events.

"Now the cable networks just need more programming," says Jack Yearwood, VP-general manager, Bay Area Interconnect, San Jose, Calif. "Our fourth quarter is the best in history and most of that can be attributed to ESPN and NFL football. We used to get $300 for a local 30-second spot on ESPN.

"On NFL games, we get $2,500 a spot. Our growth had been stymied, but now I think we've turned the corner."

Associate editor Anita M. Busch coordinated this report on Cable TV.

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Newspaper Advertising Inches; September 1987 vs. September 1986 (Standard Advertising Units in the Media Records Conversion System)

AKRON, OH

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Beacon Journal (M)	100 295	——	100 717	——
Beacon Journal (S)	63 771	——	67 943	——
Grand Total	164 066	——	168 660	——

NOTE: Beacon Journal changed from evening to morning publication effective July 13, 1987.

ALLENTOWN, PA

Call (M)	167 714	——	150 886	——
Call (S)	84 898	——	85 409	——
Grand Total	252 612	——	236 295	——

NOTE: Part run figures not available.

ASBURY PARK, NJ

Press (E)	201 582	41 764	167 867	21 820
Press (S)	154 615	25 104	143 656	12 621
Grand Total	356 197	66 868	331 523	34 441

ATLANTA, GA

Constitution (M)	174 437	83 469	161 663	61 833
Journal (E)	185 628	94 921	165 964	59 821
Journal & Constitution (S)	109 866	72 567	128 980	69 244
Journal & Constitution (Sat)	49 475	——	42 714	——
Grand Total	519 406	250 957	499 321	190 898

NOTE: Constitution Morning and Journal Evening published five days a week only.

BALTIMORE, MD

Sun (M)	151 151	13 418	132 075	3 528
Sun (E)	129 064	13 420	106 181	3 528
Sun (S)	144 671	50 408	154 745	44 853
Grand Total	424 886	77 246	393 001	51 909

BERGEN COUNTY, NJ

Record (E)	156 440	24 612	156 490	14 451
Record (S)	158 861	36 363	140 169	38 541
Grand Total	315 301	60 975	296 659	52 992

BOSTON, MA

Herald (M)	85 994	——	95 160	——
Herald (S)	22 081	44 031	22 595	33 943
Globe (M)	151 598	14 009	141 237	15 728
Globe (S)	189 094	44 415	194 507	33 921
Grand Total	448 767	102 455	453 499	83 592

BUFFALO, NY

News (AD)	104 800	37 218	111 629	28 190
News (S)	45 728	44 004	50 757	37 842
Grand Total	150 528	81 222	162 386	66 032

CAMDEN, NJ

Courier-Post (E)	145 478	25 447	133 700	14 311
Courier-Post (S)	68 479	22 601	58 536	15 649
Grand Total	213 957	48 048	192 236	29 960

CHARLOTTE, NC

Observer (M)	134 013	——	127 692	——
Observer (S)	82 864	——	74 798	——
Grand Total	216 877	——	202 490	——

NOTE: Part run figures not available.

CHICAGO, IL

*Tribune (M)	126 179	266 705	125 161	268 357
*Tribune (S)	144 880	88 859	127 970	98 782
Sun-Times (M)	130 106	70 715	136 502	72 273
Sun-Times (S)	53 706	50 535	56 803	29 978
Grand Total	454 871	476 814	446 436	469 390

NOTE: Tribune figures supplied by publisher to Media Records. 1987 figures represent advertising for 8/31/87 - 9/27/87.

CINCINNATI, OH

Enquirer (M)	151 747	14 414	146 392	5 593
Enquirer (S)	118 597	2 541	124 647	11 635
Post (E)	77 101	26 050	66 029	15 623
Grand Total	347 445	48 005	337 028	32 761

CLEVELAND, OH

Plain Dealer (M)	142 463	36 061	138 877	27 582
Plain Dealer (S)	99 776	5 853	110 600	10 601
Grand Total	242 239	41 914	249 477	38 183

DALLAS, TX

News (M)	268 701	14 384	271 517	15 379
News (S)	157 725	12 417	148 940	12 468
Times-Herald (AD)	190 168	25 334	201 568	38 594
Times-Herald (S)	111 426	23 262	103 893	18 145
Grand Total	728 020	75 397	725 918	84 497

DENVER, CO

Rocky Mt. News (M)	268 498	25 118	266 976	489
Rocky Mt. News (S)	67 219	24 085	90 361	1 531
Post (M)	181 162	50 932	188 437	9 098
Post (S)	89 114	35 925	112 309	905
Grand Total	605 993	136 060	658 083	12 023

DETROIT, MI

	1987 Full Run	1987 Part Run	1986 Full Run	1986 Part Run
Free Press (M)	106 407	44 754	100 726	49 518
Free Press (S)	46 419	31 744	61 695	16 415
News (AD)	169 676	34 087	159 649	40 634
News (S)	88 292	25 005	94 836	33 759
Grand Total	410 794	135 590	416 906	140 326

ESCONDIDO, CA

Times-Advocate (E)	109 642	3 458	96 614	2 382
Times-Advocate (S)	46 192	——	42 905	483
Grand Total	155 834	3 458	139 519	2 865

FORT LAUDERDALE, FL

News & Sun-Sentinel (S)	94 209	——	100 271	——
Sun-Sentinel (M)	237 076	——	246 550	——
Grand Total	331 285	——	346 821	——

NOTE: Part run figures not available. Morning figures include the Saturday Edition.

FORT WAYNE, IN

Journal Gazette (M)	88 882	——	73 299	——
Journal Gazette (S)	64 515	——	69 203	——
News Sentinel (E)	90 197	——	86 646	——
Grand Total	243 594	——	229 148	——

NOTE: Part run figures not available.

GREENWICH/STAMFORD, CT

Time (E)	78 544	11 035	79 802	1 739
Time (S)	68 115	10 227	63 059	4 680
Advocate (E)	104 677	21 087	103 394	16 996
Advocate (S)	66 918	12 552	62 869	4 110
Grand Total	318 254	54 901	309 124	27 734

HARTFORD, CT

Courant (M)	154 154	42 464	146 431	28 039
Courant (S)	90 014	116 035	88 705	128 478
Grand Total	244 168	158 499	235 136	156 517

HONOLULU, HI

Advertiser (M)	118 304	——	116 061	——
Star-Bulletin (E)	113 270	——	114 984	——
Star-Bulletin & Advertiser (S)	76 279	——	78 158	——
Grand Total	307 873	——	309 203	——

HOUSTON, TX

Chronicle (AD)	213 719	29 548	206 900	43 439
Chronicle (S)	117 188	29 676	90 209	39 102
Post (M)	140 301	42 303	131 851	36 141
Post (S)	67 155	30 545	64 623	24 511
Grand Total	538 363	132 072	493 583	143 193

LONG BEACH, CA

Press Telegram (M)	129 447	44 187	110 686	36 861
Press Telegram (S)	61 922	1 269	60 016	5 123
Grand Total	191 369	45 456	170 702	41 984

LONG ISLAND, NY

Newsday (E)	102 687	127 677	135 808	92 079
Newsday (S)	78 509	111 830	95 435	82 457
Grand Total	181 196	239 507	231 243	174 536

LOS ANGELES, CA

Times (M)	296 580	286 418	277 409	260 552
Times (S)	165 832	88 739	166 041	93 785
Herald Examiner (M)	69 726	8 211	59 603	9 172
Herald Examiner (S)	17 321	7 950	15 236	8 856
Grand Total	549 461	390 818	518 689	372 365

LOS ANGELES/SAN FERNANDO VALLEY, CA

News (M)	191 667	28 212	179 170	37 644
News (S)	80 770	2 711	81 089	940
Grand Total	272 437	30 923	260 259	38 584

*LOS ANGELES/TORRANCE, CA

Breeze (E & S)	216 851	——	196 077	——
Grand Total	216 851	——	196 077	——

NOTE: Figures supplied by publisher to Media Records.

*MEMPHIS, TN

Commercial Appeal (M)	139 476	76 335	119 957	86 235
Commercial Appeal (S)	94 966	8 916	93 837	5 984
Grand Total	234 442	85 251	213 789	92 219

NOTE: Figures supplied by publisher to Media Records.

MIAMI, FL

Herald (M)	149 120	——	149 306	——
Herald (S)	92 885	——	78 256	——
News (E)	63 922	——	56 580	——
Grand Total	305 927	——	284 142	——

NOTE: Part run figures not available.

MINNEAPOLIS, MN

Star & Tribune (AD)	116 726	44 471	111 554	22 564
Star & Tribune (S)	144 811	3 098	143 738	5 756
Star & Tribune (Sat)	25 008	——	24 475	——
Grand Total	286 545	47 569	279 767	28 320

*NASHVILLE, TN

Banner (E)	116 213	——	104 491	——
Tennessean (M)	113 355	——	104 535	——
Tennessean (S)	100 983	——	84 350	——
Grand Total	330 551	——	293 366	——

NOTE: Figures supplied by publisher to Media Records.

NEW BRUNSWICK, NJ

Home News (E)	89 861	4 130	87 538	7 510
Home News (S)	79 275	12 141	68 927	8 432
Grand Total	169 136	16 271	156 465	15 942

NEW YORK, NY

Times (M)	187 619	20 910	178 213	17 700
Times (S)	204 720	114 622	229 398	113 817
News (M)	69 418	93 529	61 563	82 94[illegible]
News (S)	45 917	82 567	42 032	69 6[illegible]
Post (AD)	71 888	584	54 321	1 2[illegible]
Grand Total	579 562	312 212	565 527	285 306

NEWARK, NJ

Star Ledger (M)	221 242	5 101	205 505	5 586
Star Ledger (S)	210 735	32 116	191 751	22 837
Grand Total	431 977	37 217	397 256	28 423

OAKLAND, CA

Tribune (M)	65 995	94 956	82 380	77 363
Tribune (S)	40 925	44 049	40 999	35 742
Grand Total	127 920	139 005	123 379	113 105

OCEANSIDE, CA SAN DIEGO COASTAL NORTH COUNTY

Blade Tribune (E)	91 864	6 025	103 934	2 415
Blade Tribune (S)	64 052	——	45 013	——
Grand Total	159 916	6 025	148 947	2 415

NOTE: Blade Tribune Evening published five days a week only.

ORANGE COUNTY, CA

Register (AD)	333 029	87 938	296 768	89 851
Register (S)	123 456	13 550	127 792	8 785
Grand Total	456 485	101 488	424 560	98 636

PHILADELPHIA, PA

Inquirer (M)	156 945	40 513	152 779	34 549
Inquirer (S)	132 712	68 307	131 913	50 996
News (E)	82 451	2 206	79 350	3 797
Grand Total	372 108	111 026	364 042	89 342

*PHOENIX, AZ

Arizona Republic (M)	278 844	13 610	282 579	15 399
Arizona Republic (S)	173 607	——	174 595	——
Gazette (E)	265 299	13 865	272 695	15 517
Grand Total	717 750	27 475	729 869	30 916

NOTE: Figures supplied by publisher to Media Records.

*PROVIDENCE, RI

Journal (M)	123 331	275 647	114 430	98 378
Journal (S)	149 820	63 214	134 767	62 527
Grand Total	273 151	338 861	249 197	160 905

NOTE: Figures supplied by publisher to Media Records.

*ST. LOUIS, MO

Post Dispatch (M)	122 464	31 868	102 352	31 685
Post Dispatch (S)	124 347	703	124 247	2 635
Grand Total	246 811	32 571	226 599	34 320

NOTE: Figures supplied by publisher to Media Records.

ST. PAUL, MN

Pioneer Press Dispatch (AD)	89 802	——	87 043	——
Pioneer Press Dispatch (S)	108 874	——	110 090	——
Grand Total	195 676	——	197 133	——

NOTE: Part run figures not available.

SAN ANTONIO, TX

Express-News (AD)	115 897	44 462	110 409	30 829
Express-News (S)	71 403	22 985	73 483	29 078
Express-News (Sat)	31 310	——	34 827	——
Light (AD)	133 250	15 454	123 340	19 696
Light (S)	81 044	2 871	82 517	5 [illegible]
Light (Sat)	24 884	897	26 894	1 726
Grand Total	457 788	86 669	451 490	87 233

NOTE: Express-News All Day and Light All Day published five days a week only.

SAN DIEGO, CA

Union (M)	218 689	32 802	194 602	39 977
Union (S)	127 609	1 025	127 458	——
Tribune (E)	227 267	34 424	199 853	41 834
Grand Total	573 565	68 251	521 913	81 811

SAN FRANCISCO, CA

Chronicle (M)	131 774	69 739	123 381	74 369
Examiner (E)	128 479	68 105	——	——
Examiner & Chronicle (S)	77 292	29 716	73 622	35 418
Grand Total	337 545	167 560	197 003	109 787

NOTE: 1986 Examiner Evening figures not available.

SAN JOSE, CA

Mercury News (AD)	296 510	20 457	281 015	19 178
Mercury News (S)	144 096	——	140 901	——
Grand Total	440 606	20 457	421 916	19 178

*STATE COLLEGE, PA

Centre Times (E)	78 516	4 336	74 482	3 252
Centre Times (S)	35 933	221	40 504	1 205
Grand Total	114 499	4 557	114 986	4 457

NOTE: Figures supplied by publisher to Media Records.

*TOLEDO, OH

Blade (E)	113 225	——	111 453	——
Blade (S)	87 225	——	98 368	——
[illegible]rand Total	200 450	——	209 821	——

NOTE: Figures supplied by publisher to Media Records.

WASHINGTON, DC

Post (M)	285 379	41 854	272 382	35 785
Post (S)	153 700	47 612	160 658	30 443
Grand Total	439 079	89 466	433 040	66 228

WASHINGTON, DC SUBURBAN GROUP

Montgomery Journal (M)	70 062	688	71 403	1 388
Fairfax Journal (M)	82 261	3 372	81 666	1 991
Grand Total	152 323	4 060	153 071	3 379

NOTE: Montgomery Journal Morning and Fairfax Journal Morning published five days a week only.

WESTCHESTER ROCKLAND, NY

Reporter Dispatch (E)	98 018	21 857	84 685	17 414
Reporter Dispatch (S)	78 066	30 841	83 067	19 236
Grand Total	176 084	52 698	167 752	36 650

WICHITA, KS

Eagle-Beacon (M)	116 309	——	105 778	——
Eagle-Beacon (S)	72 502	——	76 241	——
Grand Total	188 811	——	182 019	——

NOTE: Part run figures not available.

Source: Media Records

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REPORTING METHODOLOGY

Media Records continues to measure in linage but due to the introduction of the SAU 6 column format Media Records has designed and developed a methodology with the approval of our subscribers, the INAME Measurements Committee, The ANPA/NAB Working Committee, The AAAA Newspaper Committee, and other industry groups.

The approved methodology is titled The Media Records Conversion System (MRCS) and is based upon the printed page area of each product of the newspaper and is a five step approach as follows:

1. Measure Printed Page
   Width and Depth in Inches
2. Determine Square Inches of Page
   Multiply Width by Depth Inches
3. Determine the Number of SAU Inches of Page
   Divide the Square Inches by 2.0625 (SAU Inches)
4. Measure the Total Lines of the Page
   Multiply Column Depth Agate Lines by the Number of Columns on the Page
5. Determine the Factor for Converting Measured Lines to Reported SAU Inches
   Divide the Total Lines of Page by the Number of MRCS SAU Inches of the Page

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India advertising flourishes

Bangalore emerging as a new ad center

By SHEILA TEFFT

BANGALORE, INDIA—Six years ago, the late Ayaz Peerbhoy of Advertising Marketing Associates split his agency between his two competitive sons and created separate companies in two areas of the country.

The eldest son, Sajid, was rewarded with the more valuable branch in Bombay, one of the country's four traditional major ad centers. The younger brother, Bunty, chose to remain in Bangalore, even though Madras was considered the ad capital of the South.

When people questioned his choice, Bunty Peerbhoy told them Bangalore was the city of the future.

Today, many in the ad industry agree. The city has joined the four traditional Indian centers for advertising—Bombay, Calcutta, New Delhi and Madras.

Bangalore is India's fifth-largest city. It also is the fastest-growing city in the country. It has more than 58 accredited agencies, including offices of the country's top 10.

Since the mid-1970s, ad billings have grown tenfold to almost $40 million, approaching the amount of business in Madras, now only several million dollars ahead of Bangalore.

Bunty Peerbhoy's Advertising Marketing Associates has become the largest agency based in south India, with total billings of $10 million. In Bangalore alone, Advertising Marketing trails only Hindustan Thompson Associates, the country's largest agency. In that market, Hindustan Thompson has close to $4 million in billings and Advertising Marketing has $3 million.

In Bombay, Sajid Peerbhoy's once bigger agency is billing less than $1 million.

"Madras has remained static while we are growing by leaps and bounds," said R. Seshadri, VP at Clarion Advertising Services, the first national agency to open an office here 15 years ago.

Long a center for large public-sector companies and scientific research, Bangalore recently has been flooded with private corporations.

The city, now touted as India's "Silicon Valley," has ambitious plans to modernize by importing Western technology. U.S. computer giants Texas Instruments and Hewlett-Packard Co. already have operations here.

In recent years, several consumer products giants, including Brook Bond and Thomas J. Lipton Inc., both previously based in Calcutta, have moved to Bangalore. Now about half of the ad spending here is for consumer products.

All this has meant spectacular growth for agencies.

"The pace is hectic in the pensioners' paradise," heralds a promotional ad, created by Hindustan Thompson.

"That's why Bangalore is the fastest-growing city in India."

Despite suffering from many of the headaches that beset other Indian cities, such as poor telephone communications and overburdened public transportation, Bangalore's popularity is expected to bring in another 2.5 million inhabitants by the turn of the century, bringing the total to 6 million.

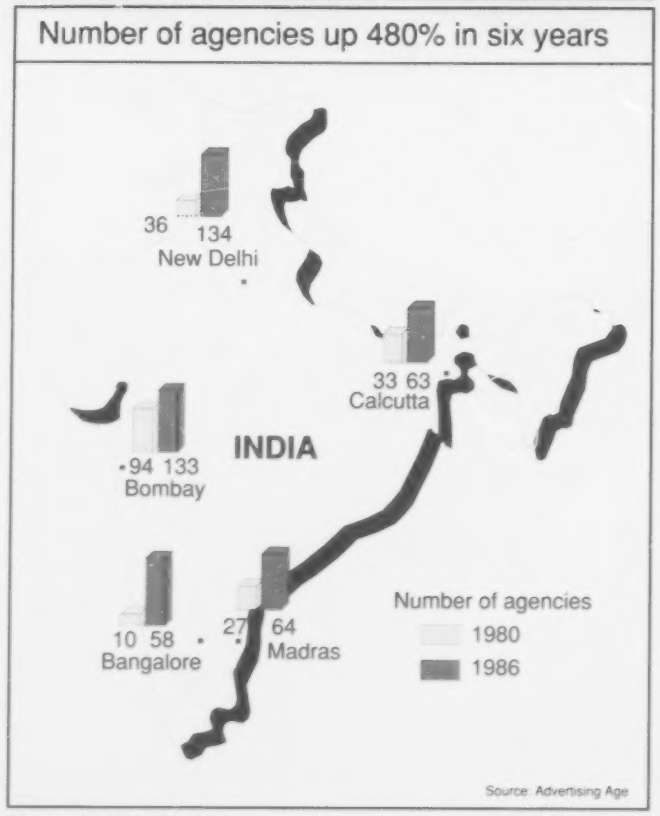
"Bangalore has always been viewed as cosmopolitan," said Ganesh Eashwar, who worked in Madras before opening the Hindustan Thompson office here in the early 1980s.

"I tried for years to get creative talent in Madras, but here it's fairly easy," he said.

But executives said the prosperity cannot last forever. Bunty Peerbhoy is one of those, happy he had enough foresight to enter the market early.

"The market is extremely competitive," he said. "Just about every ad agency has come into Bangalore. There's not enough work for all of them."#

Bangalore: India's growing ad center



Advertising Age graphic: Kevin Brown

Babel of languages towers over ad scene

By SHEILA TEFFT

NEW DELHI—As a young agency executive here more than a decade ago, Nikhil Nehru approved a soft drink ad for distribution in south India.

A native North Indian, Mr. Nehru did not realize the headline was written in one southern language and the text in another.

Mr. Nehru, now head of Hindustan Thompson Associates here, said the only consolation was that all the top officers had seen the ad, too.

In India, advertisers continue to grapple with what may be the world's most diverse babel of languages, with 14 major languages and many more dialects.

Producing ads for such a multilingual audience can boost costs significantly because translators must be familiar with local idioms.

Not long ago, an ad for a company here sent to a south Indian newspaper was returned to Hindustan Thompson with 25 corrections. To avoid future problems, the agency established panels in Bangalore, Calcutta and Madras to review ads before they are released.

The panels will cost the agency as much as $25,000 a year, not an insignificant amount of money here, but Mr. Nehru said the expense is worth avoiding "the financial burden of correcting mistakes."

TV poses special problems, and the language difficulty may have reined in the growth of that medium.

TV spending in India in the last 10 years has risen 809% to about $100 million, while total ad spending has grown 607% to more than $460 million.

In the past, agencies have dubbed ads aired with regional programs in various parts of the country. Now some advertisers have started using more sophisticated methods.

One technique is to do a voice-over in which an unseen commentator advertises the product in various languages. Another method is to reshoot the spot, with actors sometimes speaking in many different languages. Although more effective, the latter technique can increase production costs by 50%.

Christopher D'Rozario, creative director at Trikaya, Bombay, Grey Advertising's affiliate in India, said one answer is to make the message visual. "We try to avoid having people talking," he said.

The most common language in advertising is English, although it is spoken by 10% or less of the country's 750 million people.

"It's a communicator's nightmare," Mr. Nehru said.

Although only 18% of the country's 21,000 publications are written in English, English newspapers and periodicals account for more than 50% of the $350 million in print advertising, the government reported.

Publications in Hindi, the language of between 50% and 75% of the Indian population, attract only 14% of print ad spending.

C. D'Rozario

Many advertisers favor English ads because they target opinion-makers and the small but affluent upper crust of Indian society, ad executives said. In addition, ad professionals contend that writing an ad in English makes a product more attractive.

"The upmarket audience speaks English, and that's a sign of prestige in India," said Ajoy Shourie, head of a small agency here.

However, English's dominance draws criticism from editors of Indian-language publications.

Mr. D'Rozario said that even when residents understand another Indian language or dialect, they may not tune in to ads that are not directed to them in their own language.

Even so, advertisers continue to prefer English ads. In recent years, *Reader's Digest*, the second-largest publication in India, unsuccessfully tried to publish a version in Hindi.

One success story is *India Today*, the country's largest-circulation periodical. A weekly news magazine patterned after *Time*, in late 1986 it launched a Hindi version of its 11-year-old English version.

Ad rates for the English edition are 50% higher than those for the Hindi magazine.

But growing circulation is expected to force the Hindi version's rates higher.#

Slim cigarettes fire up Germany

By DENNIS PHILLIPS

BONN, WEST GERMANY—Tobacco companies are battling for young women smokers, the only segment of the cigarette market not declining here.

Three new brands launched this fall in rapid-fire succession combine king-size length with extra-slim width to appeal to women.

The U.K.-based British American Tobacco beat rivals to the first national slim-line launch here in September with the introduction of Caprice. Hamburg-based Baader, Lang, Behnken handles. In the U.S., BAT offers a similar brand, Capri, through its Brown & Williamson Tobacco Corp. subsidiary.

Slim Line, from H.F. & Ph. Reemtsma GmbH, Hamburg, was launched nationally only six weeks after starting testing at German airports. Scholz & Friends, Hamburg, handles.

And Martin Brinkmann AG, Rothmans Group's subsidiary in Bremen, rolled out Super Slim nationally in mid-October without testing. Team/BBDO, Hamburg, handles.

"When you already have two competitors, you can't waste time," a Brinkmann spokesman said.

The new cigarettes are about 25% thinner in diameter than standard king-size cigarettes, which are 8 millimeters in diameter and 99 millimeters long. Caprice and Super Slim are 5.4 millimeters in diameter and Slim Line 6.2 millimeters.

The battle surprises even the marketers.

"No one ever expected such competition," a BAT spokesman said. There will be less competition for Capri in that segment in the U.S. "We have a patent for cigarettes up to 6 millimeters [in diameter] in the U.S., so no others can introduce it there," the spokesman said.

In Germany, BAT already leads the women's cigarette market with Kim, which has 1.3% of the entire cigarette market. The new superthin women's cigarettes are expected to take a much smaller share and a 0.5% share for Caprice here "would be a good success," the BAT spokesman said.

"This is a designer product," he said. "It's not to attract new smokers but to win them over from other brands."

Reemtsma's Slim Line almost sold out during the test at airports, a spokesman said, adding that the national introduction has caused "a very positive echo."

Reemtsma has seen its total share of the German market drop almost 2 percentage points to 25.4% during the past two years. Women smokers represent the hope for growth in a market that company Chairman Juergen Peddinghaus predicts will decrease by 2% to annual sales of 115 billion cigarettes by 1989.

Women's brands account for 2% of the total West German cigarette market. The mild brand segment is growing as women are switching over to these brands.

Market leader Philip Morris Cos., whose Marlboro is Germany's leading cigarette with a 23.6% share, is staying out of the superslim cigarette battle. New York-based PM's Virginia Longs brand—the German version of Virginia Slims—perished in test market two years ago.

"First, we don't have the machinery to make them, and, second, we see no necessity for it," a PM spokesman said.

However, PM is not opting out of the women smokers' market. The company launched Tiffany in a sleek black package in Munich in November. The pack design, posters and point-of-purchase material are from Hamburg agency Jeissing & Partner.#

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NEWSPAPER

Media General Marketing
See Page 53

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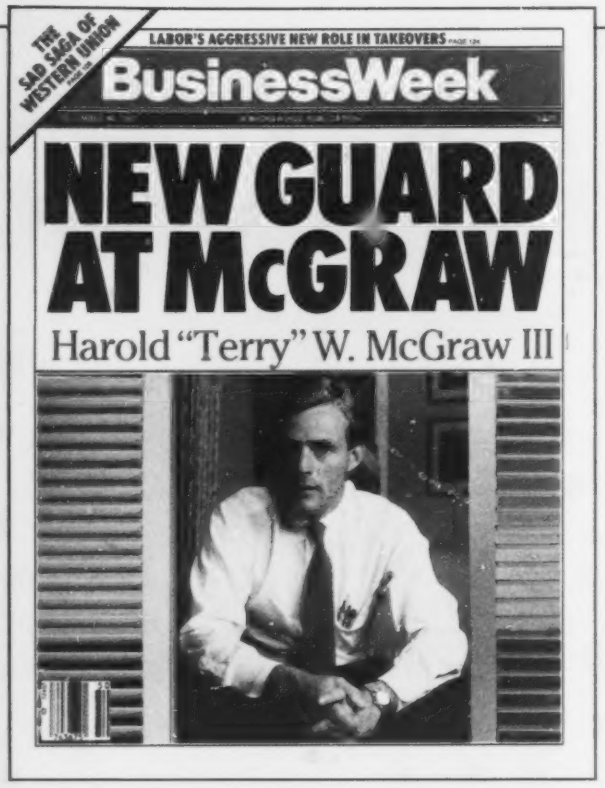
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BusinessWeek
NEW GUARD AT McGRAW
Harold "Terry" W. McGraw III

McGraw-Hill changes tack

By PATRICK REILLY

It has taken Harold "Terry" W. McGraw III, new president of McGraw-Hill Publications Co., less than three months to do what critics say his company had forgotten how to do: acquire new magazines in potentially "hot" growth areas.

Last week, while industry observers wondered whether McGraw-Hill had enough sense to sell off its moribund "smokestack" trade magazines, Mr. McGraw fulfilled his promise to make things "interesting" by scooping up an entire aerospace/defense publishing group from Rupert Murdoch's News America Publishing.

PeopleWorks looks at Harold McGraw III—Page 74

Industry sources estimated the acquisition at more than $50 million for the package, which includes *A/C Flyer, Business & Commercial Aviation*, a directory and a string of newsletters.

"It's a critical acquisition for our existing aerospace and defense group," said Mr. McGraw, appointed publications president in September. "It gives us channels into market segments we aren't strong in or those we aren't serving at all."

He also made things "interesting" by selling several trade magazines covering declining industries. Mr. McGraw last week sold *American Machinist & Automated Manufacturing* and *33 Metal Producing* to Cleveland-based Penton Publishing for an undisclosed cash sum.

Coal Age, Engineering & Mining Journal and Mining Information Services Publications, a collection of directories and newsletters, were sold to Maclean-Hunter, the Chicago-based U.S. subsidiary of Canadian Maclean-Hunter Ltd.

The buying and selling of titles is important beyond the price they brought. As McGraw-Hill nears its 100th anniversary, Mr. McGraw is tinkering with the company's 3-year-old, controversial strategy of focusing on computer-based information systems and instead is going "back to basics"—magazine start-ups and acquisitions.

While New York-based McGraw-Hill still is an information

(Continued on Page 90)

Gen'l Mills plans new-product blitz

By JULIE LIESSE ERICKSON

General Mills is "batching" 22 new products under its Betty Crocker brand in one of the most sweeping grocery-product introductions in recent years.

The January "grand slam" debut, as General Mills describes it, carries a $35 million ad budget for the first six months. The products include Betty Crocker baking mixes, entrees, side dishes and its first microwave cake mixes.

General Mills' four-flavor line of MicroRave mixes is the Minneapolis-based company's long-expected response to Pillsbury Co., which pioneered the microwave baking market in October 1986 with three flavors of cake mixes.

The Pillsbury line now includes versions of its Streusel Swirl and Bundt brand specialty cakes, plus Microwave Fudge Brownie Mix (AA, Sept. 7) and Frost It Hot! frosting mix.

The January blitz is a significant departure from General Mills' traditional new-product strategy. Simultaneous developments in microwave and shelf-stable technology forced a marketing decision to introduce the 22 items *en masse*, industry sources explained.

Campbell-Mithun, Minneapolis, and DDB Needham Worldwide, Chicago, handle the new products.

That counters rumors General Mills was turning away from its Midwestern agencies. Such speculation intensified when the company moved the $20 million Fruit Corners snacks account to Saatchi & Saatchi DFS Compton, New York, from DDB Needham (AA, Dec. 7).

Microwave mixes have added excitement to the flat $726 million baking mix category.

For the fiscal year ended Oct. 9, microwave cake mix sales—mostly from Pillsbury—soared to $34.1 million from $1.2 million the previous year, said Alan Miller, a consultant with Selling Areas-Marketing Inc., New York. During that time, the entire baking mix category posted only a 2.1% gain.

P&G tests low-cal desserts—Page 92

Minneapolis-based Pillsbury introduced its three newest microwave cake mixes—Cinnamon Streusel Swirl, Double Chocolate Supreme and Tunnel of Fudge Bundt, complete with glaze—earlier this month.

Starter kits, including a pan, retail for $2.19; refill mixes sell for $1.59.

That rollout is being supported by TV and print advertising. Young & Rubicam, New York, handles Pillsbury baking mixes and microwave products.

In 1986, Pillsbury spent $7.1 million in measured media advertising for its baking mixes, according to

(Continued on Page 92)

Advertisers protect against shop mergers

Conflict insurance

By JON LAFAYETTE

Major marketers are using a new weapon to defend themselves against agency megamergers.

Some companies are pressing agencies to sign contracts ensuring financial compensation should a merger wreak havoc on the agency-client relationship.

American Cyanamid Co.'s Shulton USA Division and Nissan Motor Corp. USA have moved to put these indemnification clauses in their agency agreements, sources said.

Both clients signed on new agencies this year and both hired Canter, Achenbaum, Associates, a New York-based consultant, to handle their searches. Canter, Achenbaum is known by agencies for driving tough compensation deals.

CAA Chairman Alvin Achenbaum said he recommended that two of his clients include in their contracts with new agencies a clause requiring a payment "in seven figures" if the agency resigns the account because of a merger.

Mr. Achenbaum identified one of the clients as Shulton; sources indicated the other was Nissan.

Mr. Achenbaum said his company included the clause because "clients are saying we want to be protected" from being forced to switch agencies, which can be disruptive, costly and time-consuming.

The new contractual stipulation "emanates from resentment to the

(Continued on Page 92)

Last Minute News

Brokerage ad war looms for '88

NEW YORK—Shearson Lehman Bros.' proposed acquisition of E.F. Hutton Group could lead to an all-out marketing war with Merrill Lynch & Co. TV and print ads broke last week that position a combined Shearson/Hutton company as a giant in financial services. McCann-Erickson, Shearson's agency, created the ads. With its Hutton acquisition, Shearson would manage about $140 billion for clients, compared with about $90 billion managed by Merrill, said Perrin Long, securities industry analyst at Lipper Analytical Service. Merrill has a new ad campaign planned for the Winter Olympics beginning in February, and the company reportedly will drop its "knows no boundaries" theme and substitute a theme based on "trust." Shearson will spend an estimated $25 million on advertising this year, according to

(Continued on Page 8)

Gorby show a hit

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Florida ad tax, R.I.P.

All states may have learned a lesson

By STEVEN W. COLFORD

It cost the ad industry more than $1 million to help convince Florida to end its tax on advertising and other services, but that could be considered a bargain if other revenue-hungry states learned a lesson from the experience.

Spokesmen for state legislative groups already are talking down the likelihood of "another Florida."

Karen Benker, research director at the National Association of State Budget Officers, Washington, said Florida's bad experience with a service tax will affect the legislative thinking in other states. States will continue looking at service taxes for potential revenue, she said, but advertising and the media may have shown themselves too troublesome to be included.

"There's just too much political capital to be used up fighting [advertising and the media] and I think the politicans would be wary of it," she said.

For now, however, the advertising, broadcasting and print media industries have been given as merry a Christmas present as could be hoped for.

Florida Gov. Bob Martinez Dec. 11 signed legislation repealing the state's entire services tax. The levy had been applied to national as well as in-state advertising.

Even Association of National Advertisers President DeWitt Helm Jr. admitted to surprise that a tax signed into law April 23 would be off the books by Jan. 1.

Mr. Helm said he expects the ANA's executive committee on Dec. 15 to recommend dropping the pending lawsuit against Florida.

Mr. Helm put the ANA's expenses in fighting the tax at more than $500,000—an amount likely matched at the American Advertising Federation, American Association of Advertising Agencies and other businesses that lobbied.#

Chilko raft had leaks, probe finds

By LAURIE FREEMAN

Canadian officials will charge this week that the raft carrying advertising and marketing executives on the Chilko River in British Columbia had leaks and too many people.

The rafting accident killed five U.S. ad executives.

Robert Graham, the regional coroner in British Columbia investigating the Chilko River accident, told ADVERTISING AGE his Dec. 16 report will conclude that "the raft itself had a number of leaks, and it may have been carrying too many people" to ensure proper buoyancy.

Mr. Graham said it is clear from his investigation that the raft carrying 12 people hit a rock in the middle of the Chilko River, "dumping everyone out into water that's like a washing machine."

He said "there's no way to get under control when you're being thrown around by the whirling currents."

Everyone in the raft wore a life jacket, Mr. Graham said, but the jackets would "come right off if a person raises his arms. There are no crotch straps, and those jackets would have come off in the rapids."

Mr. Graham conceded he has not spoken to either the guide or other participants in the accident. Also, one source said the raft was pumped with air five minutes before the crash and that buoyancy was not a problem.

No lawsuits have been filed in connection with the accident, but two law firms—Corboy & Demetrio, Chicago, and Nathanson, Schachter & Thompson, Vancouver, British Columbia—said they have been contacted by several victims' families for possible legal representation.

Earlier reports indicated the investigation could raise questions about liability involving business entertainment (AA, Nov. 23).

Al Wolfe, president of the U.S. division of DDB Needham Worldwide, organized the Chilko River expedition, but said it was not a business trip sponsored by the New York-based agency.

An agency source said DDB Needham often would underwrite trips of this nature, expecting to be reimbursed by the participants afterward.

In this instance, however, the agency did not insist on reimbursement because of the tragic results.

Several surviving participants sent personal checks to the agency to cover their expenses for the weeklong expedition, however.

Stephen Mulhall, lawyer for river guide Ron Thompson, of Williams Lake, British Columbia, said Mr. Thompson "cannot be held liable" for the accident, and added that his client "is not insured, a fact that people might want to know."#

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Marketing to Blacks: Marketers increasingly are targeting promotions to blacks. The key, they say, is to create events that give something back to the community. Starts after Page 47.

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'New Yorker' ends year on high note

By PATRICK REILLY

NEW YORK—*The New Yorker* began the year with internal dissension, declining ad pages and flat circulation. It ends 1987 quite differently.

Steven Florio, president-publisher of *The New Yorker*, said his magazine will finish the year with an increase in ad pages for the first time in six years, with circulation reaching an all-time high and with staff worries quelled after the appointment of Robert Gottlieb as editor of the weekly journal.

The news of increased ad pages is a victory for Mr. Florio but also for S.I. Newhouse Jr.'s Advance Publications, which bought the famous though faded weekly for $168 million in spring 1985.

Though *The New Yorker* closes ad pages for its 52nd and last issue of 1987 on Dec. 18, Mr. Florio said the total for the year will be at least 2,703 ad pages, a 1% increase from 1986. The business side had been disastrous, with ad pages declining 15% in 1985 and 10% in 1986.

"People were afraid the magazine would lose its editorial voice under a new owner and editor," Mr. Florio said. "If anything, we are better."

Advertisers of luxury items certainly think so. Advertisers such as BMW and Porsche, which had pulled out of the magazine, returned in 1987.

Mr. Florio hired virtually an entire new sales staff, increased subscription mailings to three times a year from one and began the Small Space Program.

The SSP awards mail-order and other back-of-the-book small-space advertisers a free ad for buying three ads at the open rate.

In 1988, the rate base will increase by 4%, from 525,000 to 545,000. Cost per thousand will rise by 5%; a national b&w page goes to $16,295 and a color page will be $25,985.

On the editorial side, under the guidance of Mr. Gottlieb, who succeeded William Shawn, the magazine finally has begun to shake its plodding image.

The newfound success already is bringing changes to *The New Yorker's* business side. Mr. Florio confirmed that early next year he will step down as publisher, remaining as president. Rebecca Darwin, VP-associate publisher, who has led the magazine's sales staff, will become publisher.

At 34, Ms. Darwin will be the youngest publisher and the first woman publisher at *The New Yorker*.#

GLOBAL MEDIA and MARKETING

Automotive, electronics and toiletries pace ad spending categories as an increasingly sophisticated media finds more efficient ways to deliver companies' messages to the world

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GLOBAL ADVERTISERS

Unilever top spender outside U.S.

By NANCY GIGES

The Anglo-Dutch conglomerate Unilever emerged as the top advertiser in ADVERTISING AGE's first ranking of the top 50 leading advertisers in spending outside the U.S. Unilever invested $598.7 million in 1986 in non-U.S. advertising.

Unilever was followed by Cincinnati-based Procter & Gamble Co. as No. 2; Toyota Motor Corp., Toyota City, Japan, as No. 3; Nestle SA, Vevey, Switzerland, as No. 4, and Ford Motor Co., Dearborn, Mich., as No. 5.

When U.S. spending also is included, the No. 1 spot in 1986 went to P&G due to the company's heavy investment in advertising in the U.S. P&G total worldwide spending was estimated at $1.83 billion, with $399.5 million coming from outside the U.S. Unilever's total worldwide expenditures were estimated at $1.12 billion, putting it in the No. 3 spot worldwide.

On a worldwide basis, Philip Morris Cos. pulled up to the No. 2 spot, also because of its hefty U.S. spending. When U.S. spending is excluded, Philip Morris fell to No. 34. Worldwide, Unilever was trailed by Sears, Roebuck & Co. as No. 4, which is not among the non-U.S. leaders, and General Motors Corp. as No. 5, which ranks No. 14 in non-U.S spending.

Among the top 50, twelve companies do not advertise in the U.S. They are Regie Nationale des Usines Renault, Kao Corp., Henkel KGaA, Lion Corp., Daiei Inc., C&A Brenninkmeyer, Ajinomoto Co., Takashimaya Co., Kirin Brewery Co., House Food Industrial Co., Daimaru Inc. and Barilla Pasta. Eight of these companies are based in Japan.

The top 50 in non-U.S. spending invested $7.3 billion outside the U.S. in 1986. Worldwide, these companies spent $15.1 billion. Twenty-five were headquartered in Japan, eight in the U.S., five in the U.K., four in West Germany, three in Italy, two each in France and the Netherlands and one in Switzerland.

Among industry categories, automotive marketers from five nations led the field with 11 entries accounting for 26.9% of non-U.S ad spending. Five soap and toiletry marketers contributed 20.8% of total non-U.S. spending. Nine electronics marketers contributed 17%. Food, beverage and candy marketers (excluding Philip Morris, whose primary revenue comes from tobacco sales), comprised 16.4%, and retailers, 7.9%.

Japanese and in particular Japan's auto and electronics industries dominate ad spending outside the U.S. Japanese-based companies spent $3.22 billion in non-U.S. advertising, more than double the non-U.S. spending of companies based in the U.S., the second largest representation. Of the Japanese total, autos drew $903.1 million in spending and electronics, $883.6 million.

Information for ADVERTISING AGE's first ranking of the top 50 spenders in non-U.S. advertising was compiled from data supplied on 41 major advertiser countries by AA's international network and sources around the world. *(See Where AD AGE got its data, Page 65).*

Lists obtained from each country ran from 10 to 100 advertisers long, the length depending on the availability of the data and its reliability. Also, some listings ranked brands rather than advertisers. The editors folded these brand totals into their respective marketers.

The 50 advertisers ranked in this issue undoubtedly advertised in more countries than credited in this report, given the length of the lists obtained from various countries. However, lists from countries that dominate worldwide advertising were lengthy.

Unilever, the most frequently named marketer in the reporting countries, made the top lists in 23 nations. In eight—Indonesia, India, Chile, Austria, the Netherlands, Portugal, South Africa and the U.K.—it was the top spender. The next most geographically dispersed company in ad spending was Nestle SA, reported in 15 countries, followed by Ford Motor Co. and Colgate-Palmolive Co., each in 13 countries.

Several U.S.-based companies ranked as the No. 1 top spender in the countries surveyed: Philip Morris in Hong Kong and in the Arabian Peninsula/Persian Gulf states; Colgate-Palmolive in Colombia and Puerto Rico, and Procter & Gamble in Belgium, Ireland, Italy and in the U.S.

Countries with the biggest ad totals were the U.S., where top spender P&G invested $1.4 billion; West Germany, where leader Siemens AG invested $208.9 million; Japan, where Kao Corp. spent $184.8 million; U.K., where Unilever invested $156.2 million, and Italy, where P&G invested $116.2 million.#

GLOBAL MEDIA

Dailies gain as weekly books slip

By JULIE SKUR HILL

Composite circulation for the world's 16 global publications inched down 0.06% in 1987 over the previous year as their costs to advertisers continued to rise, according to the third annual Global Media survey prepared by ADVERTISING AGE.

Viewed on a regional basis, slight gains in circulation in 1987 from North and South America offset declines from the previous year in Europe, the Middle East/Africa and Asia.

North American circulation grew 0.04% from 1986 to 1987 to 41.7 million, or 74.5% of the 55.98 million total, and South America circulation advanced 2.7% to 1.70 million for 3% of the total. Europe slipped 0.1 percentage point to 16.4% of the total and Asia dropped the same amount to 5.8% while the Middle East/Africa remained static at a 0.3% share.

To qualify for listing, publications must be mass circulated with circulation of more than 50,000, have distribution in three continents with 10% of total circulation abroad and have central offices where advertising is purchased. *See Where AD AGE got its data, P. 65.*

Only three of the 16 suffered from a drop in circulation in North America. *Time*, the lead publication of New York-based Time Inc., was especially hard hit. Its North American circulation fell 3.3% from the previous year as the newsweekly's global total dropped 5.5%.

National Geographic, published by the Washington-based National Geographic Society, experienced a decline of 2.4% in North American circulation and a worldwide slump of 2.1%.

The only other publication that recorded a slip in North American circulation was *Harvard Business Review*, down 1.5%.

Three other publications—*Reader's Digest, South* and *WorldPaper*—registered declines in worldwide circulation. Pleasantville, N.Y.-based *RD's* total circulation declined 0.1% to 27,802,000; London-based South Publications Ltd.'s namesake magazine dropped 11.8%, and Boston-based World Times Inc.'s *WorldPaper*, dipped by 10.7%.

Among the groupings, the dailies outperformed the rest. Their circulation grew by 6.1%, with gains recorded in all their major world regions. The *Financial Times of London* led the pack by boosting its North American circulation a whopping 59.6% as total circulation for the U.K.-based publication soared by 23.2%.

All the dailies had higher circulation, ad rates and CPMs except for the *FT*, which advertisers must appreciate: It is offering higher circulation and a lower CPM in 1988 even with a full-page rate increase of 13.8%. Cost-per-thousand is the page rate divided by circulation that has been reduced to thousands.

Newsweeklies fared the worst. Circulation fell 1.6% for the group, largely influenced by the poor performance of *Time*. Without *Time*, group circulation would have risen 3.1% in 1987 over 1986. All newsweeklies have higher CPMs going into 1988, led by the Manchester, England-based *Guardian Weekly* with a 120% increase to $42.61 in 1988—a leap largely credited to the current strength of the pound sterling against the dollar. From this group, London-based *The Economist* was the only publication among the 16 listed to report circulation increases in every global region.

Monthlies, comprising 70% of total circulation of the 16, registered a decline of 0.7% in circulation in 1987, largely because of the decline at *National Geographic* and stagnant results from *RD*. *Scientific American* was the only monthly to show a circulation increase in 1987, up 4.1%.

This group, however, is providing advertisers with two lower CPMs for 1988. *RD's* CPM has dropped 0.4% to $7.87 as its narrow circulation loss in 1987 was matched by a 0.6% decline in the cost of a full-page ad at $218,699. *Scientific American's* CPM is now at $31.20, down 6.5%, as it carries into 1988 its 1987 full-page rate of $19,450 despite circulation growth.

The most-frequent advertised products listed among the publications were airlines, automobiles, consumer electronics, computers, consumer-oriented high technology companies, financial services and tobacco. Eight publications named AT&T among the top five advertisers, four cited N.V. Philips and three named Singapore Airlines, General Motors and IBM.

Perhaps representing the ultimate measure of advertising's influence is the *Guardian Weekly's* listing of Amnesty International as one of its top five ad spenders.#

Advertising Age's global media lineup

	Title/ publisher/ headquarters	Major printing plants for international editions	Paid North American circulation (% chg '86-'87)	Paid foreign circulation by region (% chg '86-'87)		Worldwide circulation (% chg '86-'87)	Cost of worldwide B&W pg ($/1988)	Global CPM B&W pg ($/1988)	Top worldwide advertisers in 1987
DAILIES	***Financial Times of London*** Financial Times Ltd. London	London Frankfurt Bellmawr, N.J.	16,683[1] (+59.6)	Europe: 258,259[2] Mid. East/Africa: 3,379[2] Asia/Pacific:3,637[2] Latin America: 182[2] West Indies: 113[2]	(+18.6) (−15.2) (+19.4) (−4.7) (−33.9)	311,885[1] (+23.2)	full: 29,568 qtr.: 7,392	94.80	British Airways British Petroleum Hutchison Whampoa Rank Xerox Siemens
	International Herald Tribune New York Times & Washington Post Neuilly, France	10 cities around the world	3,356 (+14.6)	Europe: 128,260[3] Asia Pacific: 27,268[3] Mid. East/Africa: 7,404[3] Sub-Sahara Afr.: 1,274[3] Other: 1,346[3]	(−1.6) (+4.9) (−6.0) (−27.4) (+0.9)	168,908[3] (+0.4)	full: 35,616 qtr.: 8,904	210.86	AT&T Republic National Bank Trade Development Bnk Lufthansa Airlines Air France
	USA Today Gannett Co. Arlington, Va.	Singapore Switzerland Hong Kong[4]	1,600,000[1] (+9.7)	Europe: 26,513[1] Asia: 10,130[1]	(+27.0) (+29.7)	1,636,643[1] (+10.0)	full: 41,606 qtr.: 15,959	25.42	AT&T Marlboro Stouffers Hotels Visa Volvo
	Wall Street Journal Dow Jones & Co. New York	Hong Kong Singapore Tokyo Heerlen, Neth. Lucerne	2,026,276[5] (+2.1)	Asian WSJ: 33,505 WSJ/Europe: 38,631	(+6.0) (+9.2)	2,098,412[6] (+2.2)	full: 109,277 qtr.: 27,319	52.08	Shearson Lehman[8] Merrill Lynch Paine Webber Kidder Peabody Morgan Guaranty
WEEKLIES	***Business Week*** McGraw Hill New York	Philadelphia, Pa.	852,367 (+8.1)	Europe: 52,113 Asia: 25,339 Latin America: 16,248 Other: 1,650	(+7.6) (+11.1) (−1.9) (+3.1)	949,661[9] (+8.3)	full: 38,220	40.57	N.V. Philips[8] AT&T Hitachi Siemens Merrill Lynch
	The Economist The Economist Newspaper London	Virginia London Singapore	125,384 (+11.5)	Europe: 138,060 Asia/Pacific: 31,979 Africa: 7,058 Middle East: 8,285 Ctrl. & Latin Am.: 5,713	(+1.5) (+30.9) (+5.8) (+41.7) (+14.6)	316,479 (+8.9)	full: 7,200[7]	22.75[7]	Singapore Airlines British Aerospace Chemical Bank AT&T Fujitsu
	Guardian Weekly Guardian Newspapers Ltd. Mancnester	Montreal Lincoln (U.K.)	25,051 (+2.0)	Europe: 18,320 Asia/Pacific: 13,432 Middle East/Africa: 5,701 Latin America: 1,430 Other: 485	(−0.3) (+2.1) (−2.0) (+4.8) (+6.6)	64,419 (+1.1)	full: 2,745	42.61	Tyndall Managers Amnesty International Nat. West W.T. Fry Standard Chartered Bnk
	Newsweek Newsweek Ltd. New York	Zurich Tokyo Hong Kong Daytona Beach	3,181,187 (+3.0)	Atlantic: 306,189 Latin America: 55,219 Asia: 201,213 So. Pacific: 121,000[10] Nihon Ban: 121,297[11]	(−4.2) (+0.3) (−1.0) (N/A) (N/A)	3,986,105 (+1.6)	full: 91,525[7]	22.96[7]	Ruperts International[8] Singapore Airlines Rolex N.V. Philips B.A.T.
	Time Time Inc. Publications New York	Toronto Miami Weert, Neth. Singapore Hong Kong	5,033,558 (−3.3)	Atlantic: 526,897 Asia: 235,485 Latin America: 97,442	(−1.6) (−12.6) (+7.7)	5,893,382 (−5.5)	full: 131,175	22.26	Rothmans Group of Cos. Singapore Airlines Philip Morris IBM Rolex
MONTHLIES	***National Geographic*** Nat'l Geographic Society Washington DC	Corinth, Miss.	9,323,891 (−2.4)	Atlantic: 689,557 Pacific: 357,202 Latin America: 94,333	(+1.3) (−4.7) (+0.1)	10,461,337[9] (−2.1)	full: 127,720	12.42	Canon[8] Iberia Airlines Olympus Lufthansa Airlines Minolta
	Reader's Digest Reader's Digest Assn. Pleasantville, NY	24 cities around the world	18,109,000 (0.0)	Atlantic: 6,863,000 Pacific: 1,658,000 Latin America: 1,172,000	(−1.0) (0.0) (+3.9)	27,802,000 (−0.1)	full: 218,699[7]	7.87[7]	Colgate-Palmolive[8] Franklin Mint Nestle Nissan Motor Co. Toyota
	Scientific American Scientific American Inc. New York	Old Saybrook, Ct.	530,668 (+7.0)	Europe: 57,674 Asia/Pacific: 20,128 Ctrl. & S. Am.: 4,976 Africa: 1,851 Middle East: 1,564	(+4.7) (−5.5) (−11.8) (−4.5) (+2.8)	606,826 (+4.1)	full: 19,450	31.20	McDonnell Douglas Hughes Aircraft General Motors AT&T Hitachi
	South South Publications Ltd. London	London Singapore	6,150 (+0.9)	Africa/Mid East: 32,082 Asia/Pacific: 14,809 Europe: 11,648 Latin America: 12,337	(−6.8) (−35.4) (+3.4) (−2.0)	77,026 (−11.8)	full: 3,067[7]	39.82	British Aerospace Babcock & Wilcox N.V. Philips Hewlett-Packard Isuzu
OTHER	***WorldPaper***[12] World Times Inc. Boston	20 countries around the world	N/A[13]	Latin America: 239,000 Asia: 347,500 Middle East: 69,500	(−3.6) (+104.4) (−18.2)	656,000 (−10.7)	full: 27,522 qtr.: 9,632	42.00	AT&T Hertz American Express IBM
	Fortune Time Inc. Publications New York	Zurich	666,972 (+4.0)	Europe: 61,012 Asia: 36,248 Other: 9,759	(+10.9) (−5.8) (−5.5)	771,988 (+3.6)	full: 31,180	41.30	AT&T IBM General Motors GTE Ford Motor Co.
	Harvard Business Review Harvard Business Review Boston	Glasgow, Ky.	189,638 (−1.5)	Europe: 14,484 Asia/Pacific: 8,652 Ctrl. & S. America: 3,940 Mid. East/Africa: 3,092 Other: 1,208	(+48.1) (+28.1) (+53.0) (+23.1) (+24.2)	220,951 (+2.7)	full: 7,200[7]	32.59	AT&T Morgan Stanley & Co. General Motors Digital Equipment NV Philips

Source: ADVERTISING AGE.

Notes: [1]As of September, 1987. [2]Jan. to June, 1987. [3]Total worldwide circulation Jan.-Dec. 1986. Comparable 1985 figure: 168,189. [4]Plant will start operation April, 1988. [5]As of March 1987. [6]Combines North American figures from March and international figures from June. [7]Page cost is for 1987. [8]All advertisers in category are for non-U.S. editions. [9]Worldwide total exceeds regional total because of different audit dates. [10]April-Dec. 1986 ABC. [11]Japanese language edition of Newsweek. Figure for Jan.-Dec., 1986 Japan Audit Bureau of Circulation. [12]Distributed as a newspaper supplement. [13]Not distributed in North America.

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